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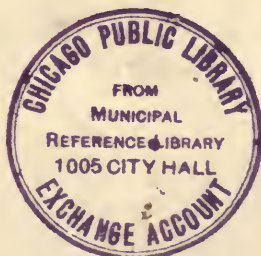
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OF THE

# Mayor's Commission

ON

# UNEMPLOYMENT



CHICAGO, MARCH, 1914

1861-1862

1861-1862

1861-1862



1861-1862

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# REMOTE STORAGE

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Public Library, Chicago, 1921



# REPORT

## OF THE

### MAYOR'S COMMISSION

#### ON

### UNEMPLOYMENT

On January 22, 1912; Carter H Harrison, Mayor of Chicago, sent the following communication to the City Council, and as a result of this communication the accompanying resolution was adopted by the Council:

Office of the Mayor, Chicago, January 22, 1912.

*To the Honorable the City Council:*

GENTLEMEN—I am in receipt of a communication from the Chairman of the Executive Committee of the United Charities which calls attention, among other things, to “the utter hopelessness of relieving the sufferings and evils caused by unemployment in all its forms, by private or public charity, working alone—.”

This communication suggests the advisability of the appointment of a Committee to study and report on the whole subject of Unemployment, and to make such recommendations as may suggest themselves for the amelioration of existing conditions.

As this subject of unemployment is one of the most serious questions with which a great community has to deal, the suggestion appeals to me with great force, and I would suggest that your Honorable Body authorize me to appoint a Committee, to consist of five members of your Honorable Body and ten citizens of the community, to make a thorough study of unemployment, and to present recommendations that will tend to bring about the greatest possible relief.

Respectfully yours,

(Signed) CARTER H. HARRISON,  
Mayor.

Unanimous consent was given for the consideration of the resolution submitted with the foregoing communication.

Ald. Thomson moved to adopt the said resolution.

The motion prevailed.

The following is the said resolution as adopted:

WHEREAS, There has existed for some time past a great depression in many mercantile, industrial and manufacturing establishments whereby thousands of our wage-earners have been deprived of a livelihood for themselves and families, and,

WHEREAS, The conditions thereby caused have produced great suffering which has now become exceedingly aggravated on account of the unusually severe weather that prevails over a wide area of our country; and,

WHEREAS, The present demands of the unemployed for food, clothing and shelter are taxing to their utmost the efforts of all charitable agencies; and,

WHEREAS, These pitiful conditions among the poor and unemployed, if not relieved, are liable to endanger the health, safety and welfare of our citizens; therefore, be it



RESOLVED, That the Mayor, be and he is hereby authorized and directed to appoint a committee, consisting of five (5) members of the City Council and ten (10) citizens of the city, to inquire into and report at an early date concerning the cause or causes for the nonemployment of so many wage earners, the extent and effect of the prevailing conditions upon the community, and what can and should be done more effectually to relieve the sufferings of the poor and unemployed and provide employment, either in public or private undertakings, for the many men now or who may hereafter be out of work in the City of Chicago.

The following communication was transmitted by His Honor, the Mayor, with the said resolution:

THE UNIVERSITY OF CHICAGO, CHICAGO, December 27, 1911.

*His Honor, Mayor C. H. Harrison, Chicago:*

SIR—I must plead over thirty years' experience in city charity work for asking a little of your time and attention for a vital public concern.

I am Chairman of the Executive Committee of the United Charities; but this letter is merely an individual suggestion for which no one else is responsible. I was also American delegate to the International Commission on Unemployment in 1909 and 1911 at Paris and Ghent.

The utter hopelessness of relieving the sufferings and evils caused by unemployment in all its forms by private or public charity, working alone, has been forced upon my mind.

I wonder if you would be willing to authorize and name a Commission to study and report to you on the whole subject?

The preliminary survey of the problem, with reference to Chicago needs, should not cost over \$1,000 for clerical services. The work would be done without cost to the city.

Very respectfully,

Your obedient servant,

(Signed)

C. R. HENDERSON.

Outline of proposed investigation of Mayor's Committee on the subject of Unemployment in Chicago:

I. What are facts about unemployment in Chicago: i. e., involuntary unemployment not due to sickness, accident, old age, crime or strikes and lockouts. The facts should be collected and arranged under the categories of: (1) race and nativity; (2) seasons; (3) trades and skill; (4) periodical depressions over 20 years.

II. What is the burden on public and private charity and relief caused by unemployment: from records and testimony of local experts and commission reports.

III. What is the burden of unemployment on the wages of self-supporting wage earners? Effect on their standard of living.

IV. What is the effect of unemployment on increase of vice and crime, and public expense for these? Danger to life, property, order, security, and public health.

V. Palliative measures in Chicago. Public and private relief: indiscriminate doles. Investigate influence of these methods on increase of vagabondage, vice, disease and industrial loss to community.

VI. The rudimentary beginnings of methods of preventing unemployment.

1. Private employment officers and State inspection of these.

2. State employment bureaus, and possible improvement of these.

VII. Rudimentary beginnings of insurance against loss from unemployment. Chiefly the out-of-work and travelling benefits of trade unions.

VIII. Study of European experience and recent legislation in relation to unemployment.

IX. Proposal of a policy of action in relation to prevention and insurance, based on above study.

1. This proposal must exclude all distant and Utopian schemes outside the range of possible practical action at present: as single tax, socialism, etc.



2. The proposed policy would include a study of methods already successful and probably practicable in this city, as for example:

a. Vocational training, guidance and supervising control of youth from the fourteenth to the nineteenth year at least. This policy is already accepted in principle by our Board of Education. Should it not be greatly extended?

b. A real Labor Exchange on modern lines.

c. A conference of officials of public and quasi-public bodies having large contracts to give, with a view to spreading demand for labor more evenly over ten-year periods.

d. Better care, protection, and training of immigrants to fit them more quickly for their occupations. Better distribution.

e. Voluntary training shops for the "unemployable" who desire to learn to work.

f. Compulsory colonies, farms and shops, for the "unemployable" and "unhelpable" who require rigorous discipline to save them from complete shipwreck.

Respectfully submitted for consideration.

(Signed)

C. R. HENDERSON.

#### Bibliography:

S. and E. Webb, *The Prevention of Destitution*. (This gives the best recent literature.)

I. G. Gibbons, *Unemployment Insurance*.

Acting on this resolution Mayor Harrison appointed a Commission of twenty-two citizens, including five members of the City Council, with Charles R. Crane, Chairman, and Charles Richmond Henderson, Secretary. At its first meeting, February 24, 1912, the Commission divided itself for the purpose of study into seven sub-committees, as follows:

### COMMITTEES.

1. **Nature and Extent of Unemployment**—Oscar G. Mayer, Chairman, Malcolm McDowell, James H. Bowman.

2. **Employment Bureaus**—Frederic A. Delano (resigned), Rev. R. A. White, Chairman, Alderman J. B. Bowler.

3. **Immigration**—Louis F. Post, Chairman, Alderman F. P. Danisch.

4. **Vocational Guidance**—Graham Taylor, Chairman, H. G. Adair, Alderman J. H. Lawley.

5. **Adjustments of Employment**—Edward Tilden, Chairman, John J. Sonstebly, W. H. Cruden.

6. **Relief**—Rev. Father M. J. Dorney, Chairman, O. G. Finkelstein, Alderman W. F. Schultz, John A. Cervenka.

7. **Laws Repressing Vagabonds**—Judge Edward O. Brown, Chairman, Alderman Twigg.

The sub-committee on Nature and Extent of Unemployment prepared and sent to representative employers and trade unions a questionnaire, with the object of securing as much detailed information as possible in regard to their subject. Incidentally this committee included in its questions inquiries in regard to the attitudes of trade unions and employers toward efficient public employment exchanges. These questionnaires and a compilation of the results of the answers are given in the complete report of this sub-committee.

The sub-committee on Immigration divided itself still further for purposes of study, and called in other interested parties for assistance in the preparation of a report. This sub-committee has prepared a report on the subjects of (1) migratory labor, (2) over-employment and under-employment, (3) unemployment among immigrant women, (4) charities, (5) population and immigration statistics. The complete report of this sub-committee is given below.

The sub-committee on the adjustment of employment or the dove-tailing of occupations submitted a report, the purport of which was expressed in the following resolution:

"We recommend to the Governor and Legislature the creation of a Department of Labor (or Industrial Commission) whose duty would be to enforce the laws now enforced by the Factory Inspector, to collect labor statistics now in charge of a separate bureau, to administer the laws of arbi-

tration in labor difficulties; to supervise the private employment offices, and to direct the state labor exchange in accordance with principles stated in our previous resolution."

After a hearing on this subject the Commission decided to postpone consideration of the question.

The sub-committee on Relief in Emergencies made a study of the extent to which unemployment is a cause of destitution and of applications for assistance from charitable associations in Chicago; and of the assistance now being given by such associations to the unemployed in Chicago. A part of this report is given below.

The sub-committee on employment bureaus made an investigation of the private and philanthropic employment agencies of Chicago, and of the other means of securing employment. The results of this investigation are reproduced below. On the basis of this study and of recommendations of other sub-committees, the sub-committee on Employment Bureaus submitted a resolution, which was adopted by the Commission on May 25, 1912. This resolution is as follows:

"1. We recommend the establishment of a Labor Exchange, so organized as to assure (a) adequate funds to make it efficient in the highest possible degree; (b) with a mode of appointment of the salaried directors which will protect it against becoming the spoils of political factions and parties; (c) with a Board or Council of responsible citizens, representing employers, employes and the general public, to direct the general policy and watch over the efficiency of the administration, this Board or Council having the power to employ and discharge all employes, subject to proper regulation of the Civil Service Commission.

"2. We recommend that the Governor and Legislature be requested at the next session of the Legislature to amend the present law relating to free State Employment bureaus so as to secure a central Labor Exchange, based on the principles first stated."

Professor E. Freund, well known as an authority on the Police Power and Social Legislation, kindly gave his valuable services in drafting a bill in accordance with the conclusion of the Commission. This bill, as drafted, is as follows:

### **A BILL FOR AN ACT**

#### **To Relieve Unemployment in the State of Illinois, and to Establish a State Labor Exchange.**

SECTION 1. Be it enacted by the People of the State of Illinois represented in the General Assembly, That there shall be, as part of the Civil Service of the State of Illinois, a bureau to deal with the problem of diminishing the evils arising from lack of employment or casual or irregular employment of labor, to be known as the Illinois Labor Exchange Bureau.

SECTION 2. Said Labor Exchange shall be under the general supervision and control of a Board of Managers, to consist of five members to be appointed by the Governor by and with the advice and consent of the Senate, and to be selected, as far as practicable, from persons familiar with problems of labor and employment. Said members shall hold their office for a term of five years except that of the members first appointed: one shall hold office for the term of one year, one for the term of two years, one for the term of three years, one for the term of four years, one for the term of five years, and all appointments thereafter shall be made for terms of five years. Said members shall not receive any salary but shall be paid the sum of \$10.00 each for each day necessarily spent in the performance of their official duties, and shall also be paid their traveling expenses. Said Board of Managers may adopt a seal for said Exchange and may also adopt rules for the transaction of its business. A majority of their number shall constitute a quorum for the transaction of official business. They shall keep a record of their proceedings. The official seat of said Exchange shall be in the City of Chicago, but they shall have authority to meet elsewhere in the State.



SECTION 3. Said Board of Managers shall appoint a general superintendent who shall be selected and hold office in accordance with the Civil Service Law of this State, and who shall receive an annual salary of \$——. Said Superintendent shall, subject to said Board of Managers, have the general executive direction of the said labor exchange. He shall reside in the City of Chicago.

SECTION 4. Said Board of Managers shall establish a central labor exchange in the City of Chicago and such number of branches in the City of Chicago and in other cities or localities of the State as they may from time to time determine to be advisable and as the Governor may approve. Subject to like approval, they shall have power to reduce the number of said branch or local offices, or to consolidate several offices into one, and for that purpose to make the necessary official changes. Each branch office shall be in charge of a business manager who shall be responsible and subject to the direction of the general superintendent. He shall be appointed by said Board of Managers and selected and hold office in accordance with the Civil Service Law of the State, and receive a salary not to exceed \$——. The clerical organization and office equipment of said central exchange and branch offices shall be determined by said Board of Managers in co-operation with said general superintendent within the limits of the amounts appropriated for said service by the General Assembly. As far as practicable, separate rooms shall be provided in each office for male and for female or juvenile applicants for employment, and where there are several clerical employes in any office it shall be the policy of the Bureau that at least one of said employes shall be a woman.

SECTION 5. Subject to said Board of Managers the general superintendent may organize, in connection with each branch exchange, an advisory board of not more than five members, who shall be persons interested in labor problems, and who shall serve without compensation. The functions of said advisory board to be determined by rules of said Board of Managers.

SECTION 6. It shall be the duty of the Illinois Labor Exchange to investigate the extent and causes of unemployment and the remedies therefor and to devise and adopt the most effectual means within its power to provide employment and to prevent distress and involuntary idleness, and for that purpose it shall have power to co-operate with the similar bureaus and commissions of other States.

SECTION 7. The labor exchange, through its central and branch offices, shall receive applications of persons seeking employment and applications of persons seeking to employ labor, and collect information and data regarding conditions of labor and employment in the State. Full records shall be kept of all applications received and positions secured, and as far as possible, of the length of time during which each position secured shall be held and the cause whereby such position shall be lost. Provision may be made for handling separately the securing of employment for young persons, for persons unable to support themselves permanently in an adequate manner, for ex-convicts and paroled prisoners, for unorganized migratory labor, and for such other classes of labor as may require special treatment. In connection with any of such classes of labor provision may be made for the keeping of special registers showing particulars regarding the age, nativity, trade or occupation of each applicant, cause and duration of non-employment, whether married or single, the number of dependent children or relatives, together with such other facts as may be required by said Board of Managers. Such special registers shall not be open to public inspection, but shall be held in confidence and the data shall be so published as not to reveal the identity of any person, and any applicant who shall decline to furnish answers as to questions contained in special registers shall not thereby forfeit any rights to any employment that may thereby be secured for them.

SECTION 8. All local or branch offices shall be in constant communication with said central exchange and shall co-operate with each other as directed by said central exchange. Reports shall be made to such central exchange as directed by the general superintendent. It shall be the duty of

the general superintendent to place himself in communication with manufacturers, merchants and other employers of labor and to use all diligence in securing the co-operation of said employers of labor with the purposes and objects of said labor exchange. To this end it shall be competent for such superintendent to advertise in the columns of newspapers or other medium, for such situations as he has applicants to fill, and he may advertise in a general way for the co-operation of large contractors and employers in such trade journals or special publications as reach such employers, whether such trade or special journals are published within the State of Illinois or outside of the State. The like duties may be performed by the manager of each branch office subject to the direction of the general superintendent. For the purpose of securing employment it shall be lawful for the labor exchange to make provision for advancing to applicants for employment the cost of transportation to the place of employment subject to rules and regulations to be established by the Board of Managers. The services of said exchange in securing employment shall not be withheld by reason of any strike or lockout, but full information shall be given to applicants regarding the existence of any such labor disturbance.

SECTION 9. It shall be the duty of the general superintendent to make report to the Board of Managers not later than December 10th, in each year, concerning the work of the exchange for the year, until October 1st of the same year. Such report shall be transmitted by said Board of Managers to the Governor, who shall submit it to the General Assembly.

SECTION 10. No fee or compensation shall be charged or received directly or indirectly from persons applying for employment or help through such labor exchange, and any manager or clerk or other employee of any of said offices who shall accept directly or indirectly any fee or compensation from any applicant or from his or her representative shall be deemed guilty of a misdemeanor and upon conviction shall be fined not less than \$25.00 or more than \$50.00, or imprisoned in the county jail for not more than thirty days, or both fined and imprisoned as aforesaid.

SECTION 11. All printing, blanks, blank books, stationery and such other supplies as may be necessary for the proper conduct of the business of the offices herein created or authorized to be created, shall be furnished by the Secretary of State upon request for the same, signed by the general superintendent.

SECTION 12. An Act relating to employment offices and agencies, approved and enforced May 11, 1903, is hereby repealed.

In the autumn and winter of 1912-13 several meetings of the Commission were held, and as a result another bill was drawn up, referred to the Mayor and by him to the City Council. With their approval the bill was presented by Hon. Mr. Farrell, April 10, 1913, as House Bill 495.

### HOUSE BILL No. 495, 48th G. A., 1913.

Introduced by Mr. Farrell, April 10, 1913.

Read by title, ordered printed and referred to Committee on Judiciary.

### A BILL

For an Act to amend sections 1, 2, 3, 4, 5 and 6 of an Act entitled, "An Act relating to employment offices and agencies," approved and in force May 11, 1903, as amended by Act approved June 5, 1909, in force July 1, 1909.

SECTION 1. *Be it enacted by the People of the State of Illinois, represented in the General Assembly:* That Sections 1, 2, 3, 4, 5 and 6 of an Act entitled, "An Act relating to employment offices and agencies," approved and in force May 11, 1903, as amended by Act approved June 5, 1909, in force July 1, 1909, be and the same are hereby amended to read as follows:

SECTION 1. That free employment offices are hereby created as follows: One in each city of not less than twenty-five thousand (25,000) population for the purpose of receiving applications of persons seeking to employ help. The term "application for employment," as used in this Act, shall be construed to mean any person seeking work of any lawful character. And "application for



help" shall mean any person or persons seeking help in any legitimate enterprise. And nothing in this Act shall be construed to limit the meaning of the term "work" to manual occupation. But it shall include professional services and all other legitimate services. Such offices shall be designated and known as "The Illinois Free Employment Offices."

SECTION 2. The State Board of Commissioners of Labor is hereby entrusted with the enforcement of this Act and they may appoint a local advisory committee in each city, consisting of an equal number of representatives of employers and labor, who shall serve without compensation and perform such duties as said State Board of Labor Commissioners shall indicate. And the Governor, with the consent of the Senate, shall appoint one general superintendent of free employment offices, whose special duties shall be prescribed by the said State Board of Commissioners of Labor, but whose general duties shall be to superintend, promote and make mutually helpful, the free employment agencies of the State.

The Governor, by this same method, shall appoint a superintendent, assistant superintendent and a clerk for each one of the offices created by section 1 of this Act.

The assistant superintendent or the clerk in each office shall be a woman, and tenure of such appointment shall be for four years (unless sooner removed for cause through the recommendation of the said State Board of Commissioners of Labor after a full hearing of any charges).

The salary of the general superintendent shall be four thousand dollars (\$4,000) per annum. In cities of one hundred thousand (100,000) or over, the salary of the superintendent shall be thirty-six hundred dollars (\$3,600) per annum. In cities of one hundred thousand (100,000) or over, the salary of the assistant superintendent shall be eighteen hundred dollars (\$1,800) per annum. In cities of less than one hundred thousand (100,000) the salary of the superintendent shall be two thousand dollars (\$2,000) per annum. In cities of less than one hundred thousand (100,000) the salary of the assistant superintendent shall be twelve hundred dollars (\$1,200) per annum. The salary of each clerk shall be one thousand dollars (\$1,000) per annum; and they shall devote their entire time to the duties of their respective offices. All additional help required by such offices, together with proper amounts for defraying the necessary costs for maintaining the respective offices shall be provided upon the recommendation of the aforesaid State Board of Commissioners of Labor.

SECTION 3. The State Board of Commissioners of Labor and the general superintendent of free employment offices shall cause to be opened, as soon as possible in each city coming within the provisions of this Act, an employment office; such office to be provided with a sufficient number of rooms and apartments to enable them to provide, and they shall so provide, a separate room or apartment for the use of women or juveniles registering for situations or help.

Upon the outside of each office, in position and manner to secure fullest public attention, shall be placed a sign which shall read in the English language "Illinois Free Employment Office," and the same shall appear either upon the outside windows or upon signs in such other language as the location of each such office shall render advisable.

The superintendent of each and every free employment office shall receive and record in books kept for that purpose, names of all persons applying for employment or help, designating opposite the names and addresses of each applicant, the character of employment or help desired.

Separate registers for applicants for employment shall be kept, showing the age, nativity, sex, trade or occupation of each applicant; the cause and duration of non-employment; whether married or single; the number of dependent children, together with such other facts as may be required by the Bureau of Labor Statistics to be used by said bureau: *Provided*, that no special registers shall be open to public inspection at any time, and that such statistical and sociological data as the Bureau of Labor may require shall be held in confidence by such bureau, and so published as not to reveal the identity of any one: *And, further, provided*, that any applicant who shall

decline to furnish answers as to questions contained in special registers shall not thereby forfeit any rights to any employment the office might secure.

SECTION 4. Each superintendent shall report on Thursday of each week to the State Bureau of Labor Statistics and to each free employment agency in the State, the number of applicants for positions, and for help received during the preceding week; and the number of positions secured, also those unfilled applications remaining on the books at the beginning of the week.

It shall also show the number and character of the positions secured during the preceding week. Upon receipt of these lists and not later than Saturday of each week the secretary of the said Bureau of Labor Statistics shall cause to be printed a sheet showing separately and in combination the lists received from all such free employment offices.

SECTION 5. It shall be the duty of the general superintendent of free employment offices to immediately put himself in communication with the principal manufacturers, merchants and other employers of labor, and to use all diligence in securing the co-operation of the said employers of labor with the purposes and objects of said employment offices. To this end it shall be competent for such superintendents to advertise in the columns of newspapers, or other medium, for such situations as he has applicants to fill, and he may advertise in a general way for the co-operation of large contractors and employers, whether such trade or special journals are published in Illinois or not.

SECTION 6.—It shall be the duty of the general superintendent to make report to the said Bureau of Labor Statistics annually, not later than August 31st of each year, concerning the work of his office for the year ending June 30th of the same year, together with a statement of the expenses of the same, including the charges of an interpreter when necessary, and such report shall be published by the said Bureau of Labor Statistics annually with its annual report. Each superintendent shall also perform such other duties in the collection of statistics of labor as a secretary of the Bureau of Labor Statistics may require.

SECTION 2. All Acts and parts of Acts in conflict herewith are hereby repealed.

On November 21, 1913, the Secretary called the attention of His Honor, Mayor Harrison, to the urgency of the problem of unemployment during the winter. Many of the unemployed were asking for some kind of relief and the pressure on some of the relief agencies was severely felt. The Mayor responded promptly by sending a message to the City Council, as is shown in the following letter:

### RECONSTITUTION OF THE COMMISSION.

The Mayor thereupon reconstituted the Commission by filling vacancies, so that the following persons were its members in December, 1913, when the work was taken up anew:

Alderman John Czekala, Alderman Martin J. Healy, Alderman John Haderlein, Alderman J. H. Lawley, Judge E. O. Brown, H. G. Adair, Oscar G. Mayer, Edward Tilden, J. J. Sonstebj, W. F. Schultz, Frank P. Danisch, Judson Lee, James H. Bowman, O. G. Finkelstein, W. H. Cruden, Graham Taylor, Rev. M. J. Dorney, Rev. R. A. White, Charles R. Crane, President; Charles Richmond Henderson, Secretary.

At a meeting of the City Council, November 24, 1913, Mayor Harrison's recommendation to re-appoint the Commission was adopted, in view of the testimony of the philanthropic societies and city officials that unemployment again presents a very serious situation. The Commission met on December 9, 1913, and decided: (1) to postpone the general study of legislation for a few weeks; (2) to prepare their former studies and conclusions for publication; (3) to attack at once the problems of emergency relief of homeless, indigent and unemployed people. The Mayor, the Commissioner of Public Works and the Commissioner of Health, in conference, agreed upon a policy of relief which they proceeded to put into effect. This policy did not pretend to be more than palliative. It includes the following factors:

1. The Department of Health will use all its powers to prevent physical injury by exposure to cold, hunger and communicable disease;



2. The Municipal Lodging House will be enlarged temporarily by opening sleeping halls under the control of the Department of Health, with cots sufficient for the men who are absolutely without means to pay for sleeping places in the cheap lodging houses;

3. A trained man is placed in charge of the employment office in the Municipal Lodging House, whose duty it is to secure odd jobs of all kinds and in all ways for those who apply for lodging and meals. Able-bodied men will be offered work as far as possible and given meals and bed three days in return for the work of one day, until each man can do better for himself. Those who refuse to work will come under police control at once.

The Department of Public Works is able to put on a limited number of men to clean streets, without taking the places of the regular laborers who are under civil service rules of appointment and tenure.

4. The various societies which deal with homeless and unemployed men will be asked, so far as possible, to send men out of town if work can be found for them or if they have friends able to help them. Every effort will be made to prevent abuse of the relief and the congestion of tramps attracted by the news that gratuitous food and lodging are provided.

5. The funds to meet the emergency will be supplied partly by the earnings of the men, partly by the City, partly by public outdoor relief, partly by private charity, organized and impulsive.

When the time of stress and trouble has passed, the more permanent problems of unemployment will receive deliberate consideration of the Commission.

The Commission voted to recommend to the Mayor and City Council the establishment of a Bureau of Welfare, similar to that in Kansas City and Cleveland.

On the suggestion of officers of the Chicago Federation of Labor arrangements were made to try another experiment—the temporary opening of stores of food materials and fuel to be sold at cost to persons who are liable to become a public charge unless they can economize their meager savings. The County Commissioners authorized the County Agent to provide direction and investigators. The City\* provided a credit of \$25,000 to purchase the food supplies and meet incidental expenses. Efforts were made to ascertain whether the County Commissioners and the Commissioners of the Sanitary Drainage Canal could provide work for the men out of employment and residents of Chicago.

\*Journal of the Proceedings of the City Council of Chicago, Regular Meeting, Jan. 19, 1914, p. 3509: "Commission on Non-Employed. For amount to be withdrawn from Corporate Purposes Fund and placed in a special fund to be known as the 'Commission on Non-Employed Capital Account' to be expended under the direction of the Commission on Non-Employed, which fund is to be reimbursed by those receiving the benefit of such expenditures, . . . \$25,000.00."

## THE PRINTING OF A REPORT.

On December 23, 1913, the Commission voted to instruct the Secretary to prepare the report of the investigations and recommendations of the Commission for publication; to include the study of Professor E. H. Sutherland, who had assisted the Secretary in gathering and compiling materials for the study. (This paper is printed as an appendix to the report.)

On February 8, 1914, Mr. G. W. Overton reported to the Commission stating that the municipal labor office had been closed by order of the Mayor.

He was appointed December 18, 1913, Municipal Labor Agent and immediately started an office in the municipal lodging house annex. The newspapers called attention to the office and 444 applied for jobs in one day; but when men found there was no work they ceased to apply. The agent visited many employers of labor, but found few places. Notices were sent to 4,000 business men; 10 or 12 direct replies were received. Advertisements in farmers' journals brought better results. From December 22, 1913, to January 30, 1914, employment was obtained for 233 men; 190 temporary, 43 permanent. There were 1,627 applications, 873 from the lodging houses and 754 others. The following reports from the trades unions indicate the conditions of the labor market during this period:

Union	Total Membership.	Out of Work.
International Association of Machinists, No. 8.....	6,000	400
International Association of Machinists, No. 63.....	7,000	500
Teamsters Joint Board.....	20,000	500
Bakers' Union, No. 2.....	2,000	400
Hod Carriers and Building Laborers.....	16,000	10,000
Bridge and Structural Iron Workers, No. 1.....	800	200
Cigar Makers' International Union.....	2,400	000
Building Trades Council.....	75,000	10,000

Besides these the Machinists' Union, No. 63, stated that there were about 5,000 non-union machinists out of work. None of the unions stated that there were more men than usual out except the machinists.

Having now before the authorities, the public and the members of the Mayor's Commission on Unemployment the materials thus far collected, the Commission is engaged in the task of a further critical study of the situation. It is hoped that before the meeting of the next Legislature it will be prepared to offer a bill for a law which will show the influence of criticism, discussion and deliberation.

For the Commission,

CHARLES R. CRANE, President.

CHARLES RICHMOND HENDERSON, Secretary.

On recommendation of the Commission the Mayor appointed the Secretary of the Commission a delegate to the National Conference on Unemployment in New York City, February 27-28. This Conference, under the auspices of the American Association of Labor Legislation, was called by the American Section of the International Association on Unemployment. The Proceedings will be published.

## II. REPORTS OF SUB-COMMITTEES.

**The Extent of Unemployment.**—The questionnaires which were sent to employers and labor unions did not cover the entire industrial field, and therefore furnish no indication of the entire amount of unemployment in Chicago; they made a study of particular industrial establishments and particular labor unions, however, which will throw light on the quest of the extent of unemployment.

Of 46 employers who replied to this question, 56.5% stated that they could always secure all the help they want, 28.2% that they could generally get all they wanted, 8.7% that they could not get all they wanted, and 6.5% that they could not always get enough competent help. If 56.5% of the employers can always get all the help they want, whenever they want it, there must be a considerable number of persons unemployed at all times of the year. This conclusion is substantiated by the reports from the labor unions; fourteen of the nineteen unions that replied (72%) stated that at all times of the year some of their members were unemployed. It is evident, however, that there is for the employers generally no chronic lack of labor, since only 8.7% of the employers reported that they could not always get all the help they wanted.

Twenty-four unions reported definitely in regard to the amount of time lost by the average member; the average member in four unions lost less than one month at his trade; the average member in one union lost from one to two months; the average member in five unions lost from two to three months; the average member in eight unions lost from three to four months; the average member in three unions lost from four to five months; the average member in two unions lost from five to six months; the average member in one union lost six months. This does not show whether they were unemployed when not working at their trades; but the period of the greatest amount of unemployment in eighteen unions was in the winter, in two unions in the spring or summer; this indicates a lack of dove-tailing.



Twenty-seven labor unions reported in regard to the percent. of their members working the entire year; the reports are as follows:

In 6 unions less than 10%	of the members.
In 4 unions from 10 to 19%	of the members.
In 0 unions from 20 to 29%	of the members.
In 1 union from 30 to 39%	of the members.
In 0 union from 40 to 49%	of the members.
In 2 unions from 50 to 59%	of the members.
In 5 unions from 60 to 69%	of the members.
In 4 unions from 70 to 79%	of the members.
In 1 union from 80 to 89%	of the members.
In 1 union from 90 to 99%	of the members.
In 3 unions	100% of the members.

The total of the least numbers of members of labor unions employed in the winter of 1911-12 was 4,383; the total of the greatest numbers employed was 7,380; these are the total for twenty-three unions which reported in regard to this. This would show that about 3,000 were unemployed at their trades at some time during the winter while they were employed at their trades at other times during the winter; it does not show what percent. of the entire membership was employed even at the best time during the winter; nor does it show what percent. of these members secured work at other trades.

The extent of unemployment is indicated, also, by a comparison of the conditions of one year with those of other years. Forty-six firms reported the number of employees in the winter of 1911-12, forty-three firms for 1910-11, and forty-four firms for 1909-10; the average number of employees per firm was as follows:

1911-12 .....	1,772
1910-11 .....	2,038
1909-10 .....	1,720

If the number of employees per average firm is taken as 100%, the decrease in the number of employees in 1911-12 was 13%, and in 1909-10 it was 15.6%. That would mean that if they did not secure work elsewhere, 13% of those employed in 1910-11 were unemployed in 1911-12. Fourteen firms reported that they employed fewer men in 1911-12 than in 1910-11, the total number by which their rolls were decreased being 9,940; seventeen firms reported that they employed more men in 1911-12 than in 1910-11, the total number by which their rolls were increased being only 2,728. Though more firms reported an increased number of employees in 1911-12, two of those which reported a decrease had very large decreases—one employed 5,044 fewer in 1911-12, the other 2,000 fewer.

Nineteen employers reported that more men had sought employment of them in 1911-12 than in former years, twenty employers reported that no more had sought employment.

Twenty-three unions reported that the number of unemployed members in 1911-12 was greater than usual; four unions reported that it was not greater than usual.

There is a very great disparity between the reports from employers and the reports from labor unions in regard to the amount of slack or part time work. Nine firms reported that they were closed down one week or more (of which only three were for more than two weeks); one other firm reported it was closed down for three days; thirty-four firms reported they were not closed down at all in 1911-12. Ten firms reported they worked part time during the year; thirty that they did not work part time at all; of those reporting part time work, the following number of days was given in which there was part time work: 15, 19, 20, 52, 61, 72, 96, 96, 175, 215. The labor unions reported that about 7.75 months of the year are busy, 3.5 months slack, and 1.5 months are periods of no work. (These make a total of more than twelve months, because some of the unions reported slack seasons and no-work seasons together.)

These figures give no indication of the absolute number of persons in Chicago who were unemployed at any one time; but they do indicate that unemployment is a serious problem for the workmen particularly, and that the situations which result in unemployment for the workmen to a certain extent mean that employers are unable to secure employees when needed.

**The Nature of Unemployment.**—The employers were asked in regard to the class of labor which was most subject to seasonal fluctuations; twenty-nine employers replied to this question. Seven employers reported that all classes of laborers were affected equally; sixteen that unskilled labor is most subject to fluctuations of work; the others gave special classes of workers peculiar to their industries. This does not mean that these individuals fail to retain their work because they are lacking in skill; it means that the class of work which does not require skill is most capable of expansion and contraction, and therefore the workers in that part of the plant are most subject to unemployment. This is substantiated by the fact that all but two of the employers stated that their employees were generally reasonably skilled, intelligent, steady and sober. Unemployment is not due to the individual's lack of skill, but to the economic system which demands expansion and contraction of industry and to the fact that the part of the work which requires little or no skill is the point at which the contraction or expansion can most easily come.

Three employers reported that they found common labor most scarce, twenty reported that they found common labor over-supplied; fifteen employers reported that they found skilled labor scarce, two that they found it over-supplied; eleven employers reported that they found no kind of labor scarce, five that they found no kind over-supplied. This difference is partly, at least, due to maladjustments in the labor market; the fact that some employers find skilled labor scarce and others find it over-supplied may be due to the differences in the kinds of skill required; but the fact that some employers found common labor scarce and others found it over-supplied can be accounted for, probably, only by lack of organization of the labor market.

**The Effects of Unemployment.**—The effect of unemployment will depend somewhat, though not entirely, on whether the person has a surplus which will carry him until work can be found, and on whether his wages are sufficiently high to furnish him a decent living through the year, after the allowance has been made for the average period of unemployment.

Nineteen of the forty-six employers failed to state whether their employees have surplus funds; one replied that they did not, six replied unreservedly that they did, twenty replied that some of them do. One of these employers stated that his employees own and operate a savings bank, in which they have savings, to the amount of \$40,000.

Twenty-five labor unions replied in regard to the surplus funds of their members; eleven replied that very few of their members had a surplus, seven that some of their members had, one that the members had no surplus, two that they had a surplus, one that the majority are buying homes, one that 20% of the members own their own homes, and one that almost all own property.

Both sets of replies give very indefinite information in regard to the surplus funds of workingmen; the only conclusion is that some employees have funds to carry them over periods of unemployment and some do not; there is no indication of the relative proportion of the two groups. Only one of the unions pays any out-of-work benefits to the unemployed.

More definite information is secured by contrasting the actual earnings of the average member with his possible earnings if steadily employed. In the year 1911 the average member in

4 unions	lost less than	9.9%	of his possible earnings.
3 unions	lost from 10 to	19.9%	of his possible earnings,
4 unions	lost from 20 to	29.9%	of his possible earnings,
6 unions	lost from 30 to	39.9%	of his possible earnings,
0 unions	lost from 40 to	49.9%	of his possible earnings,
4 unions	lost from 50 to	59.9%	of his possible earnings,
1 union	lost from 60 to	69.9%	of his possible earnings.



None of the members of these unions would receive less than \$700 a year at their trades if they worked full time; but, actually, the average member in 40.9% of those reporting received less than \$700 from his trade. This does not take account of the wages that might have been received from other employment than in their own trades.

**Causes of Unemployment.**—Thirty-two employers answered the question in regard to the reasons for the fluctuations in the number of employees within the year; of these twelve gave "seasons" as the cause, eight gave "business fluctuations," six gave "lack of orders," and six gave "special reasons." It is possible that "seasons," "lack of orders," and "business fluctuations" mean the same thing.

Twenty-seven labor unions replied to the question in regard to the general cause of unemployment; general business depression or lack of work was given in eight answers, seasons in six answers, inefficiency of workers, migration to the city and machinery each in three answers; long hours during rush seasons in two answers; seven other miscellaneous answers were made.

Fifteen employers gave reasons for the increased number of persons applying for work in 1911-12; the reasons were as follows: slack business in other plants, 11; cold weather, 2; inferior help, 1; increase in capacity of plant, 1; and strike, 1. Twenty-one labor unions gave reasons for the increased amount of unemployment in 1911-12; eight gave severe weather as the reason, three gave strikes, two gave unemployment in other industries, two gave the general business depression, one gave each of the following: migration to city, over-production, jurisdictional disputes, political uncertainty, long hours, and letting contracts out of the city.

It is sometimes stated that the methods of payment of wages result in unemployment or in making it impossible for the unemployed to take work offered. Twenty-eight firms pay weekly, fifteen semi-monthly, three monthly, and one three times a month. Thirty firms pay in cash, fourteen by check and two firms use both cash and check. Thus, over one-third of the employers pay no more frequently than semi-monthly; such infrequent payments would make it impossible for an unemployed person to take work unless he had some funds, or unless the firm had some method of helping needy new employees. Four employers failed to reply in regard to their system of helping needy new employees; twenty-five replied that they had no system; seventeen that they had systems as follows: employees draw on account in nine cases, one makes loans to the employees, one makes loans to be repaid in small instalments without interest, the savings bank mentioned above makes loans to the employees, one gives lunch tickets for which the cost is deducted from the wages, one has a boarding house and one a commissary department, one makes payment for reasonable time when an employee is sick, and one did not specify his system. Most of these methods seemed designed to aid, not the needy new employee, but the regular employees.

The employment of women is sometimes assigned as a cause of unemployment; according to the reports of employers in only six cases out of thirty-six replying did women do work which was formerly done by men; the extent of such displacement is not indicated.

**Actual Methods Used to Secure Help.**—Individual application at the plant is by far the most prevalent method used by employers to secure help; forty-three employers reported that this method was used, one that it was not used, and one that it was used sometimes. Sixteen employers stated that they used the newspapers to secure help, sixteen replied that they did not use the newspapers, and thirteen replied that they used newspapers for this purpose sometimes. Five employers replied that they use private employment offices, thirty-six that they do not use such means, and four that they do sometimes. Four employers replied that they use the public employment office, thirty-nine that they do not use such means, and two that they use them sometimes. Twenty-three firms replied that they used the recommendations of employees, six that they did not, and sixteen that they did sometimes.

**Actual Method of Securing Employment.**—In eleven cases the labor unions reported that individual application is used as the principal means of securing employment; ten of the twenty-nine unions reporting had employment offices,

which were used by the members; in one of these the member was not allowed to look for work for himself, but the union furnishes him the work. In addition to this formal organization, the union serves as an informal meeting place where the unemployed member may receive information in regard to vacancies from those members who are working at the time.

**Attitude of Employers and Labor Unions Toward an Efficient System of Free State Employment Exchanges.**—Thirty employers stated their attitude toward such a system, as follows: six stated that they did not know, or were not prepared to state their attitude, fifteen declared themselves favorably disposed toward such a system, two that they were favorably disposed to it in some respects, only one was openly opposed to it, five doubted whether such a system would be useful in their particular line of work, though they did not state any opposition to the system in general; one stated that he doubted whether employment agencies could discriminate in help before recommending them. Nineteen employers stated without qualification that they would patronize such exchanges if recommended by the Commission; nine replied with different degrees of qualification, but in general, favorably; one employer replied that he would use them if his own employment office could not supply the demands, one that it was not necessary in his business, and one that he would probably not use them because he required skilled help; the other sixteen employers did not express themselves in regard to patronage.

Twenty-two unions replied in regard to their attitude toward an efficient system of state employment exchanges, as follows: eleven replied that they would favor such exchanges, eight that they would not favor them, three favor them conditionally. Eighteen unions answered the question in regard to whether their members would patronize such exchanges; eleven state that they would, three that they would conditionally, and four that they would not.

**Nature and Extent of Unemployment in Chicago.**—In order to determine some facts in regard to the nature and extent of unemployment in Chicago, two questionnaires were prepared, one for employers, the other for labor unions. Replies were received from forty-six industrial establishments, and from thirty labor unions. Since, according to the Census of 1910, there were 9,656 establishments in Chicago, it is evident that the replies from these forty-six establishments are merely illustrative. But these establishments from which replies were received employed in 1910-11 on the average a total of 87,649 wage-earners and salaried employees, and according to the Census of 1910, the total number of wage-earners and salaried employees in Chicago was 348,798; the questionnaire which was sent to the employers, therefore, included a little over 25% of the wage-earners and salaried employees of industrial establishments of the city; that is, the questionnaires were sent to establishments employing the largest numbers of employees in the lines in which they were working. There is no evidence in regard to the degree to which replies from these establishments would probably be representative of other establishments of the city; any generalizations from these replies will, accordingly, be inaccurate, or, at best, only guesses.

The labor unions from which replies were received probably fail, also, to represent the general conditions in regard to unemployment; the labor unions are confined almost entirely to trades requiring skill; their replies will, therefore, not be accurate if applied to workmen without skill. Moreover, the replies from the labor unions are confined to conditions in their own trades; a member of a union is reported to be unemployed at his trade for a certain period, but there is no evidence in regard to the amount of work he secures outside his trade. These replies, therefore, are descriptive of only a small part of the occupations.

No evidence is at hand in regard to the total number of men unemployed in any year or at any one time in the year; conditions have been described, however, from which it is evident that there has been a considerable amount of unemployment. One firm employed 5,044 fewer employees in 1911-12 than in 1910-1911; another firm employed 2,000 fewer in 1911-12. The average decrease in the number of employees in 1911-12 for these firms which reported the number of employees was 13%. It is impossible to tell what became of



these men who were engaged one year and unemployed in these firms the next year; they have been employed in other firms in the city, or employed outside the city. The presumption is that they were probably unemployed; one half of the establishments had more men seeking work in 1911-12 than in former years.

A question was asked in regard to the number of establishments which were working only part time; this was answered in regard to the establishment as a whole, and does not, therefore, include the part time work in particular departments in those establishments unless the entire establishment is working part time. Ten establishments reported that they worked part time for more than two weeks in the year; three firms were entirely closed down for more than two weeks in the year, and eight firms for less than two weeks.

Fifty-seven per cent. of the employers reported that they could always secure all the help they wanted, 28% that they could generally secure all the help wanted, 9% that they could not secure all the help wanted, 6% that they could not secure enough competent help. In order that such a large percent. of the employers may be able to secure all the help they want, whenever they want it, it is necessary that there be a large reserve army of workingmen, who, in the time between demands, are unemployed a considerable part of the time.

Eleven employers reported that no kind of labor was scarce, fifteen replied that skilled labor was scarce, and three that common labor was scarce; five employers reported that no kind of labor was over-supplied, two replied that skilled labor is over-supplied, and twenty-two that common labor is over-supplied.

The labor unions report that the time lost by the average member at his trade was about three months; 74% of the unions replying reported that there were at all times of the year some of their members unemployed; 69% of the unions reported that unemployment is a grave problem to them; the general average of the unions shows that there is about a month and a half of no work at the trade represented, and three and a half months of slack work; about 50% of the members of the unions have work the entire year. Twenty-two unions reported that the total of the greatest number of members unemployed at any one time (that time differing in the different unions) was 7,380.

If the members were engaged at their trades full time, none of them would receive less than \$700 a year, but, actually, the members in nine of the unions receive less than \$700 a year, and in seven unions receive \$600 or less.

**Number of Employees in Specified Firms and Reasons for Leaving, by  
years 1909-10 to 1911-12.**

Firm No.	Average number of employees during winter of			Comparison of 1911-12 with former years in regard to number of men		
	1911-12	1910-11	1909-10	Quitting Voluntarily	Discharged for Cause	Laid off, acct. Lack of Work
1	279	321	452	Same	Same	Same
2	497	473	247	Same	Same	—
3	560	1,650	1,445	Same	Same	Same
4	3	—	—	—	—	—
5	1,400	1,400	1,300	Same	Same	Same
6	7,200	7,400	6,500	—	—	—
7	150	150	140	Same	Same	Same
8	814	786	768	Same	Same	—
9	3,000	2,750	2,500	Same	10 % more	Same
10	956	900	830	Same	Same	—
11	150	120	120	Same	Same	Same
12	105	105	105	—	—	—
13	170	160	155	—	—	—
14	700	—	600	—	—	—
15	2,856	2,376	2,404	30 % less	25 % less	25 % greater
16	5,890	5,247	4,150	Same	Same	—
17	16	16	16	Same	Same	Same
18	4,773	4,990	4,886	14 % less than 1910-11; 35 % less than 1909- 10	35 % less than 1910-11; 65 % less than 1909- 10	140 in '11-12 187 in '10-11 2 in '09-10
19	864	1,032	829	—	—	—
20	3,056	2,926	3,473	Same	Same	Less
21	760	911	972	10 % more	Same	8 % more
22	440	440	440	Same	Same	Same
23	400	450	450	Same	Same	—
24	1,200	1,200	1,200	—	—	—
25	1,010	1,004	1,020	Same	Same	Same
26	3,297	3,808	3,466	More	Less	Less
27	80	80	80	Same	Same	Same
28	450	475	490	Same	Same	A few more
29	650	650	500	Less	Less	More
30	330	300	285	Less	Less	Less
31	185	160	150	Same	Less	Same
32	1,721	1,721	1,721	Same	Same	Same
33	120	118	115	Less	Same	Same
34	115	115	115	Same	—	Same
35	8,595	13,639	9,366	Same	Same	More
36	200	210	210	50 % less	75 % less	Same
37	1,100	1,000	900	Same	Same	—
38	8,800	9,200	7,500	Same	Same	Same
39	348	380	385	Same	More	More
40	5,792	5,727	5,410	Same	Same	Less
41	200	200	200	—	—	—
42	450	215	205	Same	Same	Less
43	9,600	11,600	8,400	Same	Same	Same
44	275	275	350	Same	Same	Same
45	362	—	—	Same	Same	Same
46	1,583	969	812	Same	Same	Same

These numbers are generally stated as estimates, and on that account there is considerable possibility of error in the comparison of the totals. Forty-six firms reported that in the winter of 1911-12 they employed on the average 81,502 men; forty-three firms that they employed during the winter of 1910-11, 87,649 men; and forty-four firms that during the winter of 1909-10 they employed 75,072 men. The average number employed per firm would be:

Winter of	No. Employed
1911-12 .....	1,772
1910-11 .....	2,038
1909-10 .....	1,720

Fourteen firms reported that they employed fewer men in 1911-12 than in 1910-11, the total number by which their rolls were decreased being 9,940; seventeen firms reported that they employed more men in 1911-12 than in 1910-11, the total number by which their rolls were increased being 2,728. Though more firms reported an increased number of employees in 1911-12, two of those which reported a decrease had very large decreases in the numbers of employees;

one firm employed 5,044 fewer men in 1911-12, another firm employed 2,000 fewer.

Thirty employers stated that the number of men quitting voluntarily in 1911-12 was about the same as in former years, two that they were more, six that they were less and eight did not state. One of the employers who stated that more quit voluntarily, specified the increase at 10%; of the employers reporting a decrease, one specified the decrease at 30%, one at 50%, and one that they were 14% less than in 1910-11 and 35% less than in 1909-10.

Twenty-eight employers stated that the number of men discharged for cause in 1911-12 was about the same as in former years, two that there was an increase, seven that there was a decrease, and nine did not state. Of those stating an increase, one specified 10%; of those stating a decrease, one specified a decrease of 25%, one a decrease of 75%, and one that they were 35% less than in 1910-11 and 65% less than in 1909-10.

Twenty employers stated that the number of men laid off in 1911-12 was about the same as in former years, six that it was more, six that it was less, and fourteen did not state. Of those stating an increase in this number, one specified 8%, and one 25%; one firm reported that 140 had been laid off because of lack of work in 1911-12, 187 in 1910-11, and 2 in 1909-10.

**Employers' Replies in Regard to Time Plants Work Full Time, Part Time, and Closed Down, and Possibility of Transferring Help to Other Departments Instead of Discharging Them.**

Firm No.	Number of days in 1911 Plant Worked			If busy in one department and slack in another, is it possible to transfer help from one department to another?
	Full Time	Part Time	Closed Down	
1	305	0	0	Yes.
2	305	0	0	Yes.
3	125	175	0	—
4	208	0	100	—
5	305	0	0	Yes, we follow this plan.
6	305	—	0	—
7	305	0	0	Yes, we follow this plan.
8	307	52	6	Not practical in our work.
9	305	0	0	Yes.
10	365	0	0	Yes, we follow this plan.
11	305	0	0	Yes.
12	305	0	0	No.
13	305	0	0	Yes, we follow this plan.
14	—	—	—	No, on account of union.
15	305	0	0	To a small extent, which is done.
16	365	0	0	Yes.
17	312	0	0	No.
18	278	—	8	Yes, this has been our policy for years.
19	305	—	3	Only unskilled help.
20	263	19	31	Sometimes.
21	80 %	20 %	0	To some extent.
22	—	—	—	Yes.
23	305	0	0	Yes, sometimes.
24	305	0	0	Yes.
25	365	0	0	Not ordinarily.
26	305	0	0	Yes, when qualified.
27	208	96	0	No.
28	290	15	0	Yes.
29	295	—	10	No.
30	305	—	0	No, on account of union.
31	305	0	0	Yes.
32	365	0	0	This is done when possible.
33	300	0	0	No.
34	305	0	0	No.
35	302	0	10	We take every step to do so.
36	305	0	0	Yes.
37	307	0	0	Yes, to an extent.
38	305	0	0	Yes.
39	208	96	12	No, a painter cannot take place of a blacksmith.
40	305	0	0	Yes, to some extent.
41	305	0	0	We do.
42	305	0	8	Not to any extent.
43	305	0	0	Such action is taken whenever possible.
44	241	72	6	To a certain extent, which we do.
45	305	0	0	Yes.
46	0	215	90	No, except ordinary labor.

Three hundred and five days is taken here as full time, unless stated otherwise in the replies; some of the replies seem to include holidays and Sundays in the column "closed down"; others do not.



Only ten of these firms report that they worked part time for any appreciable number of days; and only three firms that they were entirely closed down for more than two weeks in the year; eight firms reported that they were closed down for less than two weeks. The reports on part time work were undoubtedly made for the factory or plant as a whole; but it is well known that a plant may be working part time in one department, while, as a whole, it is working full time. These reports can not, therefore, be taken as evidence of the amount of unemployment or underemployment resulting from part time work.

Thirty employers reported that it is possible to transfer men from one department to another instead of discharging them; eleven of these reported that they are following that policy at present; the others did not state whether they are doing so. Thirteen employers replied that it is not possible to do so; differences in skill and union regulations are given as the reasons for the impossibility.

### Reasons for Fluctuations in Number of Employees, and Causes of Closing Down Plant Part of Year.

Firm No.	Reasons for fluctuations in No. of Employees	Class of labor in which fluctuations most noticeable	Reason for closing down part of the year
1	* Rebuilding plant .....	All classes .....	—
2	Lack of work .....	All classes .....	—
3	Lack of orders .....	Common labor .....	—
4	—	—	—
5	Seasons .....	—	—
6	Receipts of live stock .....	—	—
7	—	—	—
8	Normal increase in business .....	—	Holidays.
9	Seasons and special sales .....	Salespeople .....	—
10	—	—	—
11	—	—	—
12	—	—	—
13	Seasons .....	Awning hangers .....	—
14	Diff. in advertising .....	Printers .....	—
15	Seasons .....	Installation and outside construction men .....	—
16	Increase of business .....	—	—
17	—	Foreigners .....	—
18	—	—	Stock-taking and heat last summer.
19	Seasons .....	Unskilled .....	Lack of work.
20	Variations in demand for goods .....	All alike .....	Commercial.
21	Business fluctuations .....	Production Depts. .....	Holidays.
22	Seasonal demands .....	Packing force and work room operators .....	—
23	Business conditions .....	All grades .....	—
24	—	—	—
25	Seasons .....	Waiters, cleaners and chambermaids .....	—
26	Strike and business fluctuations .....	Union members .....	Holidays.
27	—	—	Holidays.
28	Fluctuations in work .....	Helpers .....	Holidays.
29	Seasonal demand for goods .....	—	Slack business.
30	—	—	—
31	Variations in business .....	The inefficient .....	—
32	Construction work stopped in winter; stove men only in winter .....	Those on the work of construction and tending stoves .....	—
33	Seasons .....	Bakers .....	—
34	Trade conditions .....	Order fillers and packers .....	—
35	No. of orders .....	Lower grades .....	Holidays.
36	Volume of business .....	Common labor .....	—
37	—	—	—
38	Seasonal orders .....	All classes .....	—
39	Seasonal orders .....	Unskilled .....	Inventory and repairs.
40	Varying supply of live stock .....	Slaughtering gangs .....	Holidays.
41	—	—	—
42	—	Structural iron and steel .....	Holidays, repair, inventory.
43	Business conditions .....	Unskilled .....	—
44	Seasons .....	General .....	Inventory.
45	—	—	—
46	Lack of orders .....	All classes .....	No orders.



The causes for fluctuations in the number of employees are given as follows: Seasons, 12; business fluctuations, 8; lack of orders, 6; receipt of live stock, 2; special sales, 1; rebuilding plant, 1; advertising, 1; and strike, 1. It may be that "lack of orders," "seasons," "business fluctuations," "receipt of live stock," etc., overlap very considerably, and that they are only different names for the same thing. The seasons have an influence in determining the number of employees by preventing out-door work, by determining demands or orders, and by determining the supply of raw material.

These employers report in seven cases that all classes of employees are affected equally, sixteen that the unskilled or common labor is most affected, four that the outdoor workers are most affected, and the others give special classes of work peculiar to their industries.

The reasons for closing down the plant part of the year are given as follows: holidays, 8; inventory, 4; business fluctuations, 3; repairs, 2; heat, 1. The others either replied that they were not closed down at all, or else made no reply to this question.

### Comparison of Number of Men Seeking Employment from Specified Employers in 1911-12 with Former Years, with Reasons.

Firm No.	Did more men seek work in 1911-12 than formerly	Reasons for increase
1	No .....	—
2	No .....	—
3	No .....	—
4	—	—
5	Yes .....	Slack work in building industries.
6	No .....	—
7	Yes .....	Great number out of work.
8	Yes .....	Great number out of work in other lines.
9	Yes .....	Inferior help.
10	Yes .....	—
11	No .....	—
12	No .....	—
13	Yes .....	No. of unemployed in other houses.
14	—	—
15	—	—
16	No .....	—
17	No .....	—
18	Yes .....	Lack of work, desire to better their condition.
19	Yes .....	—
20	No .....	—
21	Yes .....	Lack of work elsewhere.
22	No .....	—
23	Yes .....	—
24	—	—
25	No .....	—
26	Yes .....	Strike.
27	No .....	—
28	No .....	—
29	Yes .....	Lack of work in other plants.
30	Yes .....	Lack of work in other plants.
31	Yes .....	Slackness in other industries, cold winter.
32	Yes .....	Lack of work in their own trades.
33	—	—
34	No .....	—
35	No .....	—
36	Yes .....	Lack of work in other lines, severe winter.
37	—	—
38	No .....	—
39	Yes .....	More men out of work.
40	No .....	—
41	—	—
42	Yes .....	Our increased capacity.
43	Yes .....	—
44	No .....	—
45	No .....	—
46	No .....	—

Nineteen employers reported that more men had sought work in 1911-12 than in former years, twenty that no more had sought work, seven did not reply to this question.

By fifteen employers who gave reasons for the increase in the number of men seeking employment the increase was explained as follows: slack business in other plants, 11; cold weather, 2; inferior help, 1; increased capacity of plant, 1; strike, 1.

### Methods of Payment of Employees.

Firm No	Frequency of payment	Form of payment	Reasons for method of payment
1	Semi-monthly .....	Check .....	More convenient, less chance of error.
2	Semi-monthly .....	Check .....	Safer.
3	Semi-monthly .....	Check .....	Convenience in accounting.
4	Weekly .....	Cash .....	Prevents cashing checks in saloons.
5	Semi-monthly .....	Cash .....	
6	Semi-monthly .....	Check .....	Convenience for employees and ourselves.
7	Weekly .....	Cash .....	More convenient.
8	Weekly .....	Cash .....	Most practical for average wage-earner.
9	Weekly .....	Cash .....	—
10	2-3 weekly .....	Cash .....	{ Suits business better.
	1-3 monthly .....	Check .....	
11	Weekly .....	Check .....	—
12	Weekly .....	Cash .....	—
13	Weekly .....	Cash .....	They prefer cash, no difference to us.
14	Weekly .....	Check .....	Receipt.
15	Semi-monthly .....	Check .....	Men are too scattered to make payment in cash.
16	Semi-monthly .....	Cash .....	—
17	Semi-monthly .....	Check .....	—
18	Weekly .....	Cash .....	Best for the employees.
19	Weekly .....	Cash .....	For their convenience.
20	Three times a month.	Check .....	—
21	Weekly .....	Cash .....	More satisfactory to employees.
22	Semi-monthly .....	Check .....	For our convenience.
23	Weekly .....	Cash .....	For our convenience.
24	Weekly .....	Cash .....	Employees prefer it.
25	Monthly§ .....	Cash .....	Customary in our line.
26	Monthly .....	Check .....	Convenience.
27	Weekly .....	Cash .....	—
28	Weekly .....	Cash .....	—
29	Weekly .....	Cash .....	Fairer and more convenient for men.
30	Weekly .....	Cash .....	Men prefer cash.
31	Weekly .....	Cash .....	They need the money.
32	Semi-monthly .....	Cash .....	More popular with men.
33	Weekly .....	Cash .....	More convenient.
34	Weekly .....	Cash .....	—
35	Semi-monthly .....	Check .....	Checks useful for identification.
36	Weekly .....	Cash .....	—
37	Weekly .....	Cash .....	Convenience of both parties.
38	Semi-monthly .....	Cash .....	—
39	Weekly .....	Cash .....	Avoid cashing checks in saloons.
40	Semi-monthly .....	Check .....	Most satisfactory method.
41	Weekly .....	Cash .....	—
42	Semi-monthly .....	Both .....	Established system.
43	Weekly .....	Cash .....	More convenient for men.
44	Weekly .....	Cash .....	More convenient for men.
45	Weekly .....	Cash .....	—
46	Semi-monthly .....	Check .....	Because of location of plant not feasible to express cash for payment.

§ With privilege of drawing.

Twenty-eight firms pay weekly, fifteen semi-monthly, three monthly, and one three times a month; thirty firms pay in cash, fourteen by check, and two firms use both check and cash. The reasons for the method of payment are given as follows: More convenient for men 11, more convenient for employers 5, more convenient 5, more convenient for both parties 2, custom 2, prevent cashing checks in saloons 3, for accuracy, receipts, signatures, etc., 5. Of those who stated that their method was for the convenience of the men all except one made payment weekly in cash—that one made payments semi-monthly in cash.

## Female Help in Certain Plants.

Firm No.	Female Help Employed		Number of married women employed	To what extent are women employed at work formerly done by men?	Reasons
	No.	Class of Work			
1	0	—	0	—	—
2	0	—	0	—	—
3	0	—	0	—	—
4	—	—	—	—	—
5	0	—	0	—	—
6	800	Canning, sausage, beef extract, tin shop.	—	Work formerly done mostly by boys.	—
7	50	Office work.	4	None.	—
8	4	Office work.	0	None.	—
9	1,600	Office work and salesladies	—	None.	—
10	34	Stenographers and switch-board.	0	None.	—
11	0	—	0	—	—
12	20	Book binding.	0	None.	—
13	75	Office and sewing machines.	—	Office work, mailing clerks, etc.	—
14	125	All publishing work, except mechanical and composing.	32	A few bookkeepers.	Machines.
15	50	Clerical.	2	None.	—
16	5,700	Operating, clerical, lunch room.	Small per cent.	None.	—
17	0	—	0	—	—
18	250	Coremakers.	0	None.	—
19	300	Bindery, press-feeders, copy-holders.	—	None except on presses	Took the place of strikers.
20	1,462	Manufacturing and assembling.	227	None.	—
21	128	Soap wrapping, can making.	0	None.	—
22	\$350	Trimming, selling, clerical	—	None.	—
23	5	Stenographers.	0	None.	—
24	300	Stenographers, typists, filing and catalog work.	6	—	Better at routine work.
25	300	Clerks, laundry, cleaners, maids, office.	30	None.	—
26	6	Stenographers and car cleaners.	6	None.	—
27	0	—	0	—	—
28	15	Stenographers and clerks	1	None.	—
29	20	Coremakers and fruit preservers.	—	—	—
30	25	Bindery.	—	None.	—
31	7	Office.	1	None.	—
32	73	Station agents.	4	None.	—
33	3	Store and office.	0	—	—
34	—	Office and store.	—	None.	—
35	52	Office, seamstresses and glass workers.	3	Ten.	Adaptability in office.
36	28	Packers.	0	None.	—
37	1,100	Box-making.	20	Very slight.	—
38	4,400	Clerical, bindery, stock and sales.	Few	None.	—
39	20	Sewing machines, pasting, etc.	—	None.	—
40	300	Butterine, soap, sausage, smokehouse.	—	None.	—
41	100	Packing.	—	None.	—
42	3	Stenographers.	1	None.	—
43	2,400	Assembling, machine work, clerical.	—	None in last four or five years.	—
44	2	Sewing machines.	2	Two.	More adapted to that work.
45	223	Office and machine work.	0	None.	—
46	15	Stenographers, telephone operators and restaurant.	3	None.	—

\$75 to 350 at various seasons.

Thirty-eight employers stated that it is their custom to have some female employees, seven that it was not their custom. Thirty employers stated that



they employ married women, fourteen that they do not employ married women; in most cases the employers were unable to give the proportion of their female employees who are married. There are seven large firms in which a considerable part of the work is done by women; in the other firms, the women are engaged most frequently as clerical help, salesladies, etc. In only six cases did the employers report that women are now employed at work which was formerly done by men; the reasons for such employment of women in two cases was that the women were better adapted to it, in one case that the work was better adapted for women, in one case that by the aid of machines the women could do work formerly done by men, and in one case that women had taken the place of men in a strike several years ago and are still retained; the other did not assign reasons. With these few exceptions, the employers state that women have not taken work that was formerly done by men.

### Labor Unions in Certain Firms, According to Employers.

Firm No.	Are your works unionized wholly, partly or neither?	If partly, which branches are unionized, and which are not unionized?
1	Neither	—
2	Neither	—
3	Neither	—
4	Partly	Skilled mechanics unionized.
5	Neither	—
6	Partly	Teamsters and bricklayers unionized.
7	Neither	—
8	Partly	Drivers and truckmen unionized; wagon factory, general branch, and clerical not unionized.
9	Neither	—
10	Partly	Drivers.
11	Partly	Teamsters.
12	Partly	Unionized in printing and binding Dept.; not unionized in store and office.
13	Partly	Teamsters and sailmakers unionized; all others not unionized.
14	Wholly	—
15	Partly	Installation work in buildings under construction unionized; others not.
16	Neither	—
17	Neither	—
18	Neither	—
19	Neither	—
20	Neither	—
21	Partly	Mechanical Dept.
22	Neither	—
23	Practically all	Helpers and drillers not unionized.
24	Neither	—
25	Neither	—
26	Neither	—
27	Partly	Steam fitters and boiler makers unionized; men in shop not unionized.
28	Neither	—
29	Partly	Wood workers, sheet metal workers and marble workers unionized.
30	Wholly	—
31	Neither	—
32	Generally	—
33	Partly	Bakers and drivers unionized.
34	Neither	—
35	Neither	—
36	Neither	—
37	—	—
38	Partly	Printing Depts. unionized.
39	Unionized, but open shop.	—
40	—	—
41	Neither	—
42	Neither	—
43	Neither	—
44	Neither	—
45	Neither	—
46	Neither	—

Of the 44 employers replying to the questions of whether their plants were unionized wholly, partly, or neither, 26 stated that they were not unionized at all, 13 that they were partly unionized, and 4 that they were wholly or

generally unionized; one stated that his plant was unionized, but it was open shop.

The information is not definite and detailed enough to learn whether there is any correlation between the unions and the unemployment or under-employment in these plants.

### Some Characteristics of Employees in Certain Plants.

Firm No.	Average Age of Em- ployees	Prevailing Nationalities	Are your employees reasonably skilled, intelligent, steady and sober?	Description of general character of the employee.
1	35	Amer., Pol., Lith., Greek.	Yes	—
2	35	Pol., Ger., Serv., Russ., Swed. Irish, Amer.	Yes	Good
3	30	Pol., Lith., Slavs.	Yes	—
4	35	American.	Skilled and sober	—
5	—	Pol., Lith.	Yes	—
6	—	American.	Yes	—
7	30	American.	Yes	Good
8	31	Nor., Swed., Danes, Ger.	Yes	Generally industrious, ambitious, honest, saving
9	—	Amer., Ger., Irish, Jews.	Yes	Average good
10	28	Pol., Irish.	Yes	Good
11	35	American.	Varies with class of work performed	—
12	40	Amer., Nor., Swed., Ger.	Yes	—
13	16-70	Amer., Irish, Ger.	Yes	Generally good
14	30	Irish-American.	All kinds	Average good
15	30	Ger., Pol.	Yes	—
16	16-25	Amer., Ger., Aust., Pol., Croat., Bohem., Russ.	Yes	Good
17	35	Pol., Eng., Irish, Bohem., American.	Yes	Very satisfactory
18	35	Ital., Slavs, Ger., Irish.	Yes	Good, rather improvident
19	35	American.	Yes	Above average
20	25	Ital., Slavs, Ger., Irish.	Yes	Permanent men, good
21	33	American.	Yes	Best type of citizens
22	35	—	Yes	Good
23	35	Amer., Scand., Irish.	Yes	Good
24	35	Pol., Bohem., Amer.	Yes	Good
25	30-35	Eng., Hung., Pol., Ital., Ger., Swed.	Yes	—
26	—	Swed., Pol.	Yes	About average
27	—	Amer., Pol., Lith., Greek, Irish, Ger., Swed., Scotch.	Yes	—
28	28	Swed., Ital.	Yes	Good
29	40	Ger., Pol.	Yes	—
30	30	—	—	Hard working, little surplus
31	30	—	Yes	Average
32	30	Germans.	Yes	—
33	30	American.	Yes	—
34	—	Amer., Swed., Nor., Ger., Aust., Poles, Holland, Russ., Brit., Ital., Greek and 40 others.	Yes	High
35	35	Swed., Ger. and Irish.	Yes	Faithful and industrious
36	20-40	Pol., Bohem.	Yes	—
37	18	American.	Yes	Very best
38	—	Amer. (75%), Ger., Scand., Greeks, Poles, Lith.	Yes	The older men are steady and reliable
39	30-35	Pol., Bohem., Ger., Slav., Irish.	Yes	Generally sober and reliable
40	17-45	Ger., Ital.	Yes	Good
41	25	Ger., Pol., Bohem., Amer., Irish, English.	Yes	Moral, temperate, efficient
42	30	Amer. (71%), Ger. (6%), 20 other nationalities.	Yes	Majority steady, skilled, temperate and intelligent
43	Male 28 Fem. 22	Ger., Pol.	Yes	Good
44	35	American.	Yes	Good
45	22	Amer., Swed., Pol., Serv. and Hungar.	Yes	Good
46	24	—	Yes	Majority are constantly changing work

Ages: The ages stated in most cases are estimates of the average age of the employees; these average ages may be grouped as follows:

Ave. Ages.	No. Firms	Ave. Ages.	No. Firms
18 .....	1	16-25 .....	1
20-29 .....	7	16-70 .....	1
30-39 .....	24	17-45 .....	1
40-49 .....	2	20-40 .....	1

This shows that the average age in most cases is in the ten year group, 30-39.

Nationality: American is indicated as the principal nationality in 20 cases—of which one specifies 75% and another 71% as the portion of native born; American is mentioned 4 other times as one of the principal nationalities. German is given as the principal nationality in 7 plants, and is mentioned among the other nationalities in 14 plants. Polish is given as the principal nationality in 6 plants, and is mentioned among the other nationalities in 14 other cases. If the rank may be judged in this way by the number of times mentioned, the Irish, Swedish, Bohemian, Italians, Lithuanians, English, Greeks, and Norwegians follow in order after that. Twelve other nationalities were mentioned in three plants or less.

All but two of the employers indicated that their employees were generally reasonably skilled, intelligent, steady and sober; in those two cases, one stated that the employees were of all kinds, the other stated that these characteristics varied with the class of work performed.

# Surplus Funds of Employees and Employers' Methods of Helping Needy New Employees.

Firm No.	Have employees on the average any surplus fund?	Have you a system of helping needy new employees?
1	Only a small %.....	No.
2	Yes .....	No.
3	—	Draw on account if necessary.
4	—	Draw on account if necessary.
5	—	No, not necessary.
6	—	No.
7	Yes .....	No.
8	Many own homes, drivers have \$150 deposited as security .....	No special system.
9	Great many have homes and bank accounts .....	Draw on account.
10	They are in fair shape.....	No.
11	—	—
12	—	No.
13	The better class—yes; rank and file spend all they get.....	No special system, each case on its own merits.
14	—	Pay reasonable time when sick.
15	Majority of them have.....	—
16	—	—
17	Most have savings, part homes.....	No.
18	—	No.
19	We have \$40,000 in savings bank owned and operated by employees; many older men own homes.....	This bank loans them money.
20	Yes .....	Operate a boarding house.
21	—	No.
22	As a rule.....	No.
23	Yes .....	No.
24	Great many own homes; majority have savings accounts.....	No.
25	—	Allowed to draw to extent on amount earned.
26	—	Yes, to limited extent.
27	—	No.
28	No .....	No.
29	Yes .....	No.
30	Very few have shares.....	No.
31	Older, steady men have.....	Draw on account if desired.
32	Many of older employees have.....	Lunch tickets issued to new employees and cost deducted from their pay.
33	—	No.
34	A few own homes, some savings, others none .....	Frequently make loans to old employees to be repaid in small installments, no interest.
35	Very large number own homes.....	No.
36	—	No.
37	—	No, but we loan money to them.
38	A few own homes, 25% have savings.	Advance pay to new employees before due.
39	About one-third do.....	No.
40	Great many have homes and accts..	No.
41	Many have homes.....	No.
42	About 15% of them.....	Commissary, and on account payment of wages.
43	—	Advanced payment of wages earned when conditions justify; arrangements with local bank for loans in reasonable amounts.
44	Yes .....	Advance wages in urgent cases.
45	—	—
46	—	Advance may be obtained in case of sickness, death or dire distress.

Nineteen employers failed to state whether or not their employees have reserve funds, one replied that they did not, six replied unreservedly that they do, and twenty replied that some of them do; one employer replied that his employees own and operate a savings bank, in which they have savings to the amount of \$40,000.

Four employers failed to reply in regard to their system of helping needy new employees, twenty-five replied that they have no system, and seventeen replied that they have some system; of those who replied in the affirmative,



nine state that their employees may draw on account, one makes loans to employees, one makes loans to be repaid in small installments without interest, the savings bank mentioned above makes loans to the employees, one gives lunch tickets for which the cost is deducted from wages, one has a boarding house and one a commissary department, one makes payment for reasonable time when an employee is sick, and one did not specify what his system is. Most of these methods seem to be designed for the regular steady employee, rather than for the new employee who may be in temporary need.

### Labor Supply.

Firm No.	Can you always get all the help you want?	Kind of labor.	
		Scarce.	Over-supplied.
1	Nearly always .....	Skilled .....	Laborers.
2	Yes .....	Skilled .....	Those who do not understand English.
3	Generally .....	Common labor .....	None.
4	Yes .....	—	—
5	Have little difficulty .....	Clerical .....	Common labor.
6	Yes .....	—	—
7	Yes .....	—	—
8	Yes .....	None .....	Unskilled.
9	Not competent .....	Good salespeople ..	Manual labor.
10	Yes .....	—	—
11	—	—	—
12	Yes .....	—	—
13	No .....	Sail-makers, good awning hangers, salespeople, good boys .....	The incompetent in all lines.
14	Not of the kind we want .....	—	—
15	Almost always .....	None .....	Unskilled.
16	Yes .....	—	—
17	Yes .....	None .....	General laborers.
18	Yes .....	First-class tradesmen .....	Male help, ages 19-35 who are not adapted to any special line of work.
19	Never all the skilled help; plenty of unskilled .....	Skilled pressmen, engravers, printers, binders, etc. ....	Unskilled.
20	Yes .....	Skilled .....	Unskilled.
21	Yes .....	None .....	General labor.
22	Usually .....	Skilled makers and designers .....	Unskilled.
23	Yes .....	None .....	None.
24	As a rule .....	Boys about 16 .....	Common labor.
25	Yes .....	None .....	Unskilled.
26	As a rule .....	Skilled mechanics ..	None.
27	Yes .....	—	—
28	Yes .....	English speaking helpers .....	Foreigners.
29	Generally .....	Marble workers .....	Common labor.
30	Nearly always .....	Skilled .....	Press room.
31	No .....	Good skillful men ..	The cheap kind.
32	Except after heavy snow storms.	None .....	Skilled mechanics.
33	Yes .....	None .....	Bakers.
34	Yes .....	Skilled packers .....	—
35	Generally .....	Common labor .....	None particularly.
36	Yes .....	—	Common labor.
37	No .....	Experienced girls ..	Unintelligent, unskilled girls.
38	Yes .....	None .....	Common labor.
39	Yes .....	Skilled .....	Unskilled laborers.
40	Yes .....	Skilled .....	Common labor.
41	Yes .....	—	—
42	Yes .....	None .....	Laborers.
43	As a rule .....	Skilled labor at times .....	Unskilled.
44	Yes .....	—	Common labor.
45	Yes .....	—	—
46	No .....	Ordinary labor, and wood car builders.	None.



In reply to the question "Can you always get all the help you want?" 26 employers stated that they could, 4 employers that they could not, 13 that they generally could secure all they wanted, three that they could not secure competent help, and one failed to reply. Thus, about 85% of the employers reported that they could always or almost always secure all the help they wished, and about 9% that they could not secure all the help they wished, and 6% that they could not secure all the competent help they wished. From this it is evident that unemployment is principally a problem for the workingman, but that it is to some degree a problem for the employer, since some of them found difficulty in getting enough help.

The following table summarizes the replies in regard to the kinds of labor scarce and over-supplied:

Kind of Labor	Number of Employers Replying:	
	Scarce	Over-supplied
Common labor .....	3	22
Skilled labor .....	15	2
None .....	11	5
Clerical .....	1	—
Boys .....	2	—
Salesmen .....	2	—
English-speaking helpers .....	1	—
Foreigners .....	—	2
Incompetent in all lines.....	—	2

From this table it appears that there is some over-lapping; three firms could not always find enough common labor, twenty-two firms were over-supplied with it; fifteen firms did not always have a sufficient supply of skilled labor, two firms found that kind of labor over-supplied. There is not a great discrepancy between these two; but it indicates to some extent the lack of control of the labor market, and the possibility that in one part of the city there may be an over-supply of a particular kind of labor, and a scarcity of the same kind of labor in another part of the city.

### Methods Used by Employers to Secure Help.

Firm No.	Public Employment Agency	Private Employment Agency	News-papers	Application at Plant	Recommendation of employees	Reasons for Choice
1	—	—	—	Yes	Yes	Good men do not need to go to employment agencies or papers.
2	No	No	No	Yes	No	Picked by foremen.
3	Yes	No	No	Yes	Yes	No preference.
4	—	—	—	—	Largely	—
5	No	No	No	Yes	Yes	Better selection.
6	—	—	—	Yes	—	—
7	Yes	Yes	Yes	Yes	Yes	We try to get help without putting them to expense, but have to resort to emp. agencies sometimes.
8	—	Some	When necessary	Most	Some	No choice; applications are filed voluntarily by applicants at our branches.
9	—	—	Some	Yes §	Some	—
10	—	—	—	Yes	Yes	—
11	—	—	—	—	—	—
12	—	—	Yes	Yes	Yes	—
13	Yes	Yes	Yes	Yes	Yes	No choice
14	—	—	Yes	Yes §	Yes	—
15	—	—	—	Yes §	Some	Continual applications make an emp. agency necessary.
16	No	No	Some	Yes	Yes	—
17	No	No	No	Yes	Yes	References.
18	No	No	Some	Yes §	Yes	We found this the only way to get desirable help.

§ Maintain our own employment office.

## Methods Used by Employers to Secure Help—Cont'd

Firm No.	Public Employment Agency	Private Employment Agency	Newspapers	Application at Plant	Recommendation of employees	Reasons for Choice
19	No	No	Yes	Not much	In apprentice school only	Newspapers get better class and cover more territory.
20	No	No	No	Yes	Some	Interview before employment.
21	Some	No	Yes	Yes	Some	—
22	No	No	Some	Yes	Some	Productive of best results.
23	No	No	No	Yes	Yes	Want good reliable and sober men.
24	—	—	—	Most	—	—
25	—	Yes for inferior help	Yes for better grade	Yes	Some	—
26	No	No	Some	Yes	Some	Efficiency.
27	—	—	—	Yes	—	—
28	No	Yes	Yes	Yes	Yes	Pleasing results.
29	—	—	Yes	Yes	Yes	—
30	No*	—	Some	Yes	—	—
31	No	Some	Some	Most	Often	Recommendations of our employees is best method when possible.
32	Yes	Yes	Yes	Most	Most	Enough men can be secured by these methods.
33	No*	No	Yes	Yes	No	—
34	—	—	Yes	Yes	Yes	Most convenient way.
35	No	No	Occasionally	Entirely	When-ever possible	Being a little out of the Chicago labor center, we find we can reach class of men required from our lists of men laid off, or through our employees.
36	No	No	No	Yes	Some	Other resources not required.
37	No	No	Some	Most	Often	Prefer to get friends of employees.
38	No	Absolutely No	Yes	Yes	Yes	—
39	Seldom	Part	Part	Most	Part	No particular choice; men from public emp. office do not average as well in character and ability.
40	No	No	No	Yes	Some	This method gives best results.
41	No	No	Yes	Yes	Yes	—
42	No	No	Yes	Yes	Yes	—
43	No	No	Part	Largely	Yes	We prefer to have our help come to us free from any obligations. We encourage our employees to recommend their friends.
44	No	Yes	Yes	Yes	Yes	Fitness for position open.
45	—	—	Yes	Yes	Yes	—
46	No	No	Yes, when necessary	Most	Yes	Can obtain more experienced men in this line of business by personal application.

\*Use union headquarters.

The employers, in stating their methods of securing help, frequently put "Yes" after some methods, and left the others blank; other employers put either "Yes" or "No" after each indicated method of securing help. When the space after one of the indicated methods was left blank or indicated "No," the answer has been registered as "No" in the following table. In addition to the methods suggested, two firms indicated that they used the union headquarters for securing help. It was probably a mistake not to have indicated this as one of the means of securing help.

## Methods of Securing Help.

No. of Employers reporting that they:	Public employment exchanges	Private employment exchanges	Newspapers	Application at plant	Recommendation by employees
Use .....	4	5	16	43	23
Do not use .....	39	36	16	1	6
Use sometimes ...	2	4	13	1	16

This shows that practically all of the firms use the individual applications of the unemployed as their chief source of securing help; newspapers are used by about a third of the employers, and in case of need by about another third; most of the employers desire to secure new employees on the recommendation of their old employees, and some of the employers stated that they encouraged their employees to recommend men for vacancies. There is a very large proportion of the employers who fail to make use of private and public employment exchanges; one employer stated emphatically "Absolutely no" to the question in regard to the use of private employment exchanges. Another employer stated that good men do not need to go to employment agencies or newspapers to get work; another that he got his inferior help from private agencies, another that the men coming from the public exchange do not average as well in character and ability as the men secured by other methods.

### Attitude of Employers Toward Public Employment Exchange.

Firm No.	Would you favor efficient public employment exchanges?	Features in public employment exchanges recommended	Would you patronize a system of efficient State Employment Exchanges, if recommended by the Commission?
1	Hardly in our business..	—	Yes.
2	Not in our business.....	—	Yes.
3	Yes .....	Gratuitous service.....	Yes.
4	—	—	—
5	In some respects.....	—	So far as they could furnish competent help.
6	—	—	—
7	Yes .....	—	Yes.
8	Yes .....	Classification and references .....	Yes.
9	No .....	—	If we could not supply our demands through our own emp. office.
10	—	—	—
11	—	—	—
12	—	—	—
13	Do not know.....	—	Yes.
14	—	—	—
15	—	—	—
16	Not necessary in our work .....	—	—
17	Yes .....	—	Yes.
18	Cannot answer .....	—	Yes.
19	Doubt whether employment agencies could discriminate in help before recommending them .....	—	Would try them, but would not continue to patronize them unless we could get the best help that way.
20	Yes, generally, but not for our work.....	—	Probably not, because we require special skill.
21	—	—	Not until tested.
22	For clerical and shipping work .....	Keeping employee's full record .....	Probably.
23	Don't know .....	—	Possibly.
24	—	—	—
25	Yes .....	—	Yes.
26	Do not know.....	—	Willing to consider it.
27	—	—	—
28	—	—	—
29	Yes .....	—	Yes.
30	Yes .....	Tests showing applicant's ability .....	Certainly.
31	Yes .....	Classification of applicants, large waiting room, and provisions for "fixing up" and caring for applicants.	Certainly.
32	Yes .....	—	Yes.
33	Yes, if run right.....	Recommend only those with good references.	Yes.
34	Yes .....	—	Yes.
35	We find no necessity for this .....	—	Not considered necessary with our conditions.



**Attitude of Employers Toward Public Employment Exchange—Cont'd**

Firm No.	Would you favor efficient public employment exchanges?	Features in Public employment exchanges recommended	Would you patronize a system of efficient State Employment Exchanges, if recommended by the Commission?
36	—	—	—
37	Yes .....	Gratuitous service and clearing house for both sides .....	—
38	Yes .....	Management by competent business men and absolute divorce from politics .....	Yes.
39	Worth trying .....	Good sensible management, free from union control, and with careful investigation of applicants .....	Yes, if they furnish good men.
40	—	—	—
41	—	—	Yes.
42	Not familiar with it....	—	Would give it our best consideration.
43	Yes, if free from politics.	Separation from politics, management vested in a commission appointed by the City Club or Association of Commerce....	Yes, when we could do so.
44	Do not know.....	—	Do not know.
45	—	—	—
46	—	—	—

The attitude of the employers towards an efficient system of publicly managed labor exchanges such as those of Europe is generally favorable, in so far as that attitude is expressed in their answers. Of the 46 employers who returned the questionnaires, 16 failed to answer this question; 6 stated that they did not know, or were not prepared to state their attitude, 15 declared themselves favorably disposed toward such a system, 2 that they were favorably disposed to it in some respects, only one was openly opposed to it, 5 doubted whether such a system would be useful in their particular line of work, though they did not state any opposition to the system in general, and one employer doubted whether employment agencies could discriminate in help before recommending them.

Of the 46 employers, 37 did not specify any special features in public employment exchanges which they would recommend; of the recommendations, four were for keeping careful records and securing references of applicants for work two were that such a system be kept entirely separate from politics; one employer even recommended that it be in charge of a commission appointed by the City Club or the Chamber of Commerce; two recommended gratuity of service; two recommended a careful classification of applicants, one recommendation for a waiting room and provisions for "fixing up" and caring for the men who were applying for work; there was one recommendation for freedom from union control.

Nineteen employers stated without qualification that they would patronize such exchanges, if recommended by the Commission; nine replied with different degrees of qualification, but in general favorably; one employer replied that he would use them if his own employment office could not supply the demands; one employer stated that it was not necessary in his business, and one that he would probably not use such an exchange because he required skilled help; sixteen employers failed to answer this question.

Recommendations and suggestions by employers:

Employer No. 1: "Our experience has been that the reason of unemployment is that most of the unemployed are unwilling to work and will not take such employment as is offered. We have employed some men through agencies and almost without exception they have been incompetent."

Firm No. 9: "Our experience has been that applicants who are sent by charitable institutions are careless and very unsatisfactory. It seems that the most dependent are the most independent and afraid of work."

Firm No. 13: "Our common schools should turn out better average boys of 16—boys able to write well and express themselves in fair English and willing to work. Girls should be taught that \$5.00 per week on State Street is not so good for them financially and morally as \$10.00, \$12.00, \$14.00 and \$15.00 in a decently run shop, office or factory. Loyalty to the man behind the pay-roll should be encouraged; it is growing less and less."

Firm No. 18: "Vocational training in the public schools would in the future do much toward raising the standard of labor, as at present boys who by force of circumstances are compelled to seek employment, having no mechanical training, will take the first situation open to them whether it is suitable or not, drifting from one job to another and eventually form part of that unskilled class which is already too numerous. An efficient labor exchange co-operating with others situated in the large cities would do much to reduce the number of unemployed."

Firm No. 19: "Do not get good help from present employment agencies and doubt whether employment agencies could discriminate in help before recommending them. Skilled help can always find employment here. Only poor class of men refer to employment bureaus for employment, and we have never yet known of such a bureau whose recommendation is worth the paper it is written on. . . . It strikes me it is a question of general education and training."

Firm No. 26: "We believe that many of the men now unemployed would find plenty of work if they were not prevented by the tyranny of labor leaders, and the unreasonable restrictions of labor unions, particularly the building trades, as they limit the number of men who are allowed to learn trades, and prevent many men from working except under the most arbitrary rules and strict supervision of the walking delegates."

Firm No. 30: "The greatest evil is the fact that workmen—no matter how inefficient—as members of labor unions, are forced on to us, and we must learn by bitter experience their worth."

Firm No. 31: "Labor exchanges will do much to mitigate the evil. It will always exist in a degree, however, and nothing remains but to give charitable help. The charities of Chicago should be organized and municipalized with the object of securing better distribution and more interest on the part of the housewives of the city, who together could give vast quantities of old clothes and shoes. These might even be repaired by the city, where necessary, thus giving employment to some poor people."

Firm No. 37: "The average employee is much less steady than of former years and wants to be guaranteed 'good' wages to start, regardless of the future. In other words, they are too frequently content with a medium wage and will not exert themselves to actually earn a high wage. There seems to be but little ambition to better themselves beyond a certain point. Frequently the wages asked as a 'starter' are ridiculously high when all the circumstances are considered."

Firm No. 39: "Get men to realize that drinking men find it difficult to hold their places. The younger element—18 to 23—of the present day is something 'fierce'—reckless and indifferent, seem to lack the proper ambition to make good. In promoting sobriety we have milkmen come to the factory each day and sell bottled milk to the men. About 150 bottles of milk come into the factory in this way each day. This has brought about an entire discontinuance of sending out buckets for beer—a common practice some years ago."

Firm No. 41: "Get rid of union business agents."



## Extent of Unemployment, as Shown by Labor Union Reports.

No. of Union	Time lost by average workman	Per cent of members employed the entire year	Are there in all seasons some members unemployed?	Number of months the trade is			Is the trade seasonal?	Is unemployment a grave problem?
				Busy	Slack	No Work		
1	2 mo.	66%	No	9	3	0	Yes	No
2	5 mo.	15	Yes	4	6	2	Yes	Yes
3	3.5 mo.	0	No	7-8.5	3.5-5	3	Yes	Yes
4	—	75	Yes	—	—	—	No	No
5	3.5 mo.	60	—	8-10	2-4	2-3	Yes	Yes
6	4 mo.	5	Yes	8	4	4	Yes	Yes
7	3 mo.	50	—	—	—	—	*	No
8	3-4 mo.	10	Yes	6-8	3-4	0	Yes	Yes
9	1.5 mo.	75	Yes	9-10	2-3	§	Yes	No
10	6 mo.	8	—	4	3	4	Yes	Yes
11	†	50	No	9	3	0	Yes	Not necessarily
12	4 mo.	70	—	8	4	4	Yes	Yes
13	3 mo.	10	—	9	3	3	Yes	Yes
14	2-5 mo.	85	No	7	5	0	Yes	Yes
15	7 days	100	Yes	6	6	0	No	No
16	2-3 mo.	60	Yes	6	6	0	Part	Yes
17	3 mo.	5	—	—	—	—	No	Yes
18	3 mo.	5	Yes	9	3	§	Yes	Yes
19	3-4 mo.	5-10%	—	8-9	1	3-4	—	Yes
20	—	—	Yes	—	—	0	No	Yes
21	5 mo.	10	—	5	5	5	Yes	Yes
22	—	0	Yes	6-7	5-6	4	Yes	Yes
23	0	100	Yes	12	0	0	No	Not very
24	2 days	100	Yes	12	0	0	No	Yes
25	2-3 mo.	66	No	6	5	1	Yes	Not very
26	—	—	—	—	—	—	—	—
27	—	—	—	—	—	—	No	Yes
28	0 mo.	95	Yes	12	0	0	No	No
29	2 mo.	75	—	7	5	0	Yes	Yes
30	4 mo.	35	Yes	8	4	4	Yes	Yes

\*Not entirely.

§Depends on factory demands.

†Between seasons.

The number of members in the unions was not learned in this questionnaire; on that account it is impossible to give the averages; but, roughly, the time lost by the average workman was about 3 months; a little over 50% of the workers had work the year round; about 74% (14 of the 19) unions replying, stated that at all times of the year some of their members were unemployed. (This question was stated: "Does this register of unemployed men show, or do you know, whether there are at all times through the year some of your members out of employment?" Some of the answers seem to indicate that this was not understood to mean "Are some of your members unemployed," but "Can you tell whether they are?")

Some of the unions included the period of "no work" in the "slack" seasons, and they therefore over-lap; others did not; the average is therefore inaccurate. The average, such as it is, shows that about  $7\frac{3}{4}$  months of the year are busy,  $3\frac{1}{2}$  slack and  $1\frac{1}{2}$  no work. Eighteen unions replied that their trades were seasonal, two that they were partly seasonal, eight that they were not seasonal, and two failed to answer this question.

Twenty unions replied that unemployment is a grave problem in their trade, six that it was not a grave problem (though only one of these reported that all their members were employed the year around; the other reported that from 50 to 75% of their members were employed the year round, and that the average member lost from 1.5 to 3 months on the average), three that it was not a very grave problem, and one failed to reply to this question.

The general conclusion is that unemployment is a grave problem to the members of these labor unions, in that there is about a month and a half of no work, three and a half months of slack work, and in that there are at all seasons some members unemployed; speaking roughly, about 50% of the members have work the entire year, and the average workman loses about three months of work in his trade during the year. These figures do not show whether he finds work in some other trades.

These returns may be represented most accurately by grouping them. Considering only the 25 unions reporting definitely on this point, the average

member in 4 unions lost less than 1 month at his trade, the average member in 1 union lost from 1 to 2 months at his trade, the average member in 5 unions lost from 2 to 3 months at his trade, the average member in 8 unions lost from 3 to 4 months at his trade, the average member in 3 unions lost from 4 to 5 months at his trade, the average member in 2 union lost from 5 to 6 months at his trade, the average member in 1 union lost 6 months at his trade, the average member in 1 union lost from 2 to 5 months at his trade.

For the 27 unions reporting on this point:

In 6 unions less than 10% of the members work the entire year.  
 In 4 unions from 10 to 19% of the members work the entire year.  
 In 0 union from 20 to 29% of the members work the entire year.  
 In 1 union from 30 to 39% of the members work the entire year.  
 In 0 union from 40 to 49% of the members work the entire year.  
 In 2 unions from 50 to 59% of the members work the entire year.  
 In 5 unions from 60 to 69% of the members work the entire year.  
 In 4 unions from 70 to 79% of the members work the entire year.  
 In 1 union from 80 to 89% of the members work the entire year.  
 In 1 union from 90 to 99% of the members work the entire year.  
 In 3 unions 100% of the members work the entire year.

There seems to have been some misunderstanding or else a great difference in standards in answering the question: "Is unemployment a grave problem in your trade?" For instance, Union No. 25 replied that it was not a very grave problem, but in the course of the answers to other questions stated that last winter five members of their union (one-fifth of the entire membership) last winter walked the streets for ten weeks in one stretch in search of work; also that some of their members were out of work for months at a time. The members in this union had surplus funds in only a very few cases. Therefore, their statement that unemployment is not a very grave problem seems doubtful.

### The Extent of Unemployment, as Shown by Labor Union Reports.

The extent of unemployment is also shown by the comparison of the lowest and the highest number of persons employed during the winter of 1911-1912, and by a comparison of that winter with previous winters.

No. of Union	Number unemployed in winter of 1911-12		Were conditions of employment worse than in other years?	Period in 1911-12 of	
	Least	Greatest		Least number unemployed	Greatest number unemployed
1	100-200	—	Worse	—	Dec.-Jan.
2	500 (33%)	1300 (85%)	Worse	Sept.	Feb.
3	0	—	Worse	—	Winter
4	400	490	Worse	—	Jan.-March
5	20	75	Worse	—	Dec.-March
6	355	400	Worse	Summer	Winter
7	300	500	Worse	Nov.	Jan.
8	800	1200	Worse	—	—
9	2	10	Worse	Summer	Nov.-Jan.
10	40	60	Worse	May, June, Sept., Oct.	Dec.-March
11	—	—	Worse	Summer	Winter
12	500	600	Worse	—	Jan.-Apr.
13	0	427	No	—	May 15-Aug. 15
14	—	—	Worse	—	Nov.-Apr.
15	0	0	No	—	—
16	15	50	Worse	Aug.-Nov.	—
17	240	375	Worse	—	—
18	6	22	Worse	Winter	Summer
19	200	250	Worse	Summer	Winter
20	—	—	Worse	—	—*
21	300	500	Worse	May-June	Jan.-Feb.
22	400	600	Worse	July	Jan.
23	0	5	No	—	—
24	—	15	Worse	—	—
25	5	16	—	—	Fall and winter
26	—	—	—	—	—
27	—	—	—	—	—
28	—	—	No	—	—
29	300	500	Worse	Fall	Winter
30	50%	50%	Worse	May-Dec. 1	Winter

\*Bad all through the year.

This table shows that the least number unemployed in the winter of 1911-1912 was 4,383, the greatest number 7,380; also, that the winter is in all cases except one the time of the greatest amount of unemployment; the 7,380 unemployed should, therefore, be contrasted also with the number unemployed in the spring or early fall, but the figures for that comparison are not accessible. Since these trades show that the period of unemployment is uniformly the winter months, it is evident that not many men can transfer from their regular trade to some other skilled trade, but that they must take odd jobs that can be found in the winter.

Twenty-three unions reported that there was more unemployment in the winter of 1911-12 than usual, four unions reported that it was no more, and three unions failed to answer this question. The reason given for the increased unemployment was generally the severe weather. (See below )

#### Extent of Unemployment, as Shown by Labor Union Reports.

The comparison of the actual earnings of members of trade unions with the earnings they would receive if they were employed steadily indicates the amount of unemployment. This also shows the probable effects of unemployment.

Union No.	Actual earnings in a year.	Possible annual earnings if steadily employed.
1	\$ 792	\$ 936
2	575	1,350
3	600	900
4	750	1,000
5	650	850
6	520	782
7	750	1,750
8	600	1,500
9	1,100	1,300
10	700	1,435
11	.....	1,200
12	1,200	1,816
13	800	1,040
14	540	700
15	1,150	1,155
16	750	900
17	650	1,000
18	500	800
19	.....	.....
20	.....	1,050
21	500	900
22	210*	315*
23	.....	.....
24	1,650	1,700
25	900	953.16
26	.....	.....
27	.....	.....
28	1,400	1,400
29	1,100\$	1,100\$
30	1,200	1,800

\*With board and lodging.

§There is evidently some mistake in this answer, for the union reported that the average member lost 2 months' work, and that 75% of the members have work the year round. This report is therefore not included in the totals.

In a recent book on "The Standard of Living Among Workingmen's Families," R. C. Chapin concluded that in New York City an annual income of \$800 is necessary to keep the standard of living up to the normal demands of health, working efficiency and social decency. This annual income necessary for efficient work is sometimes placed at \$700.

According to the above chart none of the members of these unions would receive less than \$700 a year if they worked full time; but actually the average member in nine of these unions (40.9% of those reporting) receives less than \$700 from his trade.

Of the 22 answers which can be used for this purpose the results may be grouped as follows:

Actually the average member in:	If working full time the average member in:
14 unions receive from. \$ 500 to \$ 799	2 unions would receive. \$ 500 to \$ 799
2 unions receive from. 800 to 1,099	10 unions would receive. 800 to 1,099
4 unions receive from. 1,100 to 1,399	3 unions would receive. 1,100 to 1,399
2 unions receive from. 1,400 to 1,699	3 unions would receive. 1,400 to 1,699
0 unions receive from. 1,700 to 1,899	4 unions would receive. 1,700 to 1,899



This may be expressed in another way, thus:

The average member in 4 unions lost less than 9.9% of his possible earnings.  
 The average member in 3 unions lost from 10.0 to 19.9% of his possible earnings.  
 The average member in 4 unions lost from 20.0 to 29.9% of his possible earnings.  
 The average member in 6 unions lost from 30.0 to 39.9% of his possible earnings.  
 The average member in 0 unions lost from 40.0 to 49.9% of his possible earnings.  
 The average member in 4 unions lost from 50.0 to 59.9% of his possible earnings.  
 The average member in 1 union lost from 60.0 to 69.9% of his possible earnings.

This loss refers only to the loss from unemployment in his own trade, and does not take into consideration the fact that he may secure work in some other trade to keep up his earnings. One union in the cement industry stated that when cold weather prevented a continuance of their own trade, the men drifted around, some working in the packing houses, some in shops and foundries.

In order to determine the results of the loss of earnings it would be necessary to know, also, whether or not the workmen had a surplus of some kind; the answers to this question are, necessarily, rather indefinite. Two unions did not answer this question, because it was "private business." The union out-of-work benefit would also be closely connected with this point, and is therefore included in the following table:

No. of union.	Do the members have a surplus of some kind?	Does the union have out-of-work benefits?	If so, how are requests for benefits checked?
1	Some have surplus, all have credit .....	No .....	—
2	Very few—about 2% .....	No .....	—
3	No .....	No .....	—
4	Some .....	Yes .....	Union book due stamps and out-of-work list.
5	Probably 20% .....	No .....	—
6	Some .....	No .....	—
7	Only a small percentage .....	No .....	—
8	— .....	No .....	—
9	The majority have not .....	No \$ .....	—
10	Some .....	No .....	—
11	— .....	No .....	—
12	Majority are buying homes .....	No .....	—
13	Very few .....	No .....	—
14	Very few .....	No * .....	—
15	Yes .....	No .....	—
16	Very few .....	No .....	—
17	Very few .....	No .....	—
18	About 20% own their homes .....	No \$ .....	—
19	Some have .....	No .....	—
20	— .....	No \$ .....	—
21	About 5% have .....	No .....	—
22	Very few have surplus; none have homes .....	No .....	—
23	Some have .....	No .....	—
24	Most all own property .....	No .....	—
25	Very few .....	No .....	—
26	— .....	— .....	—
27	— .....	— .....	—
28	— .....	No .....	—
29	Very few .....	No .....	—
30	Yes .....	No .....	—

\$ Dues are remitted.

\* Give out-of-work stamps.

\* Strike benefits are given.

These answers indicate that probably a very small proportion of the members of these unions have a definite surplus; when a period of unemployment strikes them, they must either secure some other kind of work or soon become dependents. Only one union pays any benefits to those unemployed.



## Constitution of the Membership of Labor Unions.

No. Un.	Av. Age.	Nationalities.
1	40	German, Polish, Swedish, Italian, Irish.
2	35	American, Irish, German.
3	26-45	Colored.
4	35	German, American.
5	30	Italian, Swedish, German, Irish, American.
6	28	German, Swedish, French, Polish.
7	40	Norwegian, Irish, German.
8	..	American.
9	40	German, Bohemian, American.
10	40	Scandinavian, German.
11	..	—
12	38	—
13	30	Native Born.
14	45	Hungarian and Italians (about 60%).
15	30	American, Irish, German, Polish.
16	35-40	—
17	42	American, German.
18	32	American (12%).
19	..	German.
20	..	Slavonic.
21	25-30	—
22	27	American (55%), Canadian (15%), Scandinavian (20%), British, German.
23	18-70	Irish, Dutch, American, Polish, Negro, Greeks, Jews.
24	37	—
25	25-80	Norwegians.
26	..	—
27	25	American.
28	35	German, Irish.
29	30	American, German, Irish.
30	38	American, German, Irish, Swedish.

This table shows that the labor unions from which reports were secured are made up predominantly of Americans and northern Europeans, and that there are few members of the southern European races. The members are, also, predominantly, men in their prime.

## Methods of Securing Employment.

No. Union	How do members secure employment?	Does the union have an employment office?	If so, how is it organized?
1	Through office .....	No	—
2	Individual application .....	No	—
3	Union .....	Yes	Register of unemployed.
4	Union .....	Yes	Secretary keeps a list of the unemployed, and sends them in rotation to vacancies; one day a week extra work given to the unemployed.
5	Individual application .....	No	—
6	Individual application and requests at meetings .....	No	—
7	Individual application and through the union .....	No	—
8	Union .....	Yes	Secretary in office and man in the field looking up vacancies.
9	Individual application .....	No	Secretary in office.
10	Office .....	Yes	—
11	Individual application .....	No	—
12	Through office .....	No	—
13	Individual application .....	No	—
14	Through interpreter .....	No	—
15	Go East or West .....	No	—
16	Individual application and reports in lodge .....	No	—
17	Not through an agent .....	No	—
18	Through business agent .....	Yes	When a man quits his job he reports to business agent.
19	—	No	§
20	Individual application .....	No	—
21	Individual application .....	No	—
22	Union . . .	Yes	Reports are sent from city to city, so that the men are informed about positions; information at office.
23	Union, and individual applicat'n	Yes	Secretary gets calls from employers, and notifies members of positions.
24	Union . . .	Yes	No member is allowed to look for work for himself; office furnishes the work.
25	Individual application .....	No	—
26	—	—	—
27	—	Yes	—
28	By presenting working card....	No	—
29	Asking those who are working.	No	—
30	Correspondence and office.....	Yes	Locals and offices throughout the country, free to members.

§Not a practical one.

Of the twenty-nine unions reporting, 10 had employment offices, and nineteen did not; those that have employment offices have organized them somewhat differently; some of them merely have a secretary who receives demands from employers; others have, in addition, a field agent who looks up vacancies. Two of them have regular reports from unions in other cities, so that men can be sent back and forth according to requirements. In one union no member is allowed to look for work for himself, but the union furnishes him work. In addition to this formal organization, the unions serve as meeting places at which the unemployed member may receive information in regard to vacancies from the employed members; in five cases in which there was no employment office maintained by the union, this was reported to be one of the means of securing employment. In eleven cases individual application is reported to be the principal means of securing employment, and in one case it is used to supplement the union employment office. Thus it is evident that even for the members of labor unions individual applications are numerically probably the most universal means of securing employment.

## Attitude of Labor Unions to Public Labor Exchanges.

Union No.	Would your members		What features do you recommend?
	Favor public labor exchanges?	Patronize them?	
1	Yes	Yes	About the same as conducted in Europe.
2	—	—	—
3	Yes	Yes	—
4	No	No	—
5	Yes	—	—
6	Not if political	Yes	Keep it out of politics, organize it through Federation of Labor, or by Commission of Labor, appoint officers for their experience as working men.
7	No	—	—
8	Yes	Yes	—
9	Think not	—	—
10	Not for our members	—	—
11	Yes	Yes	Installation of musical exchange in conjunction.
12	—	—	—
13	No	No	—
14	Yes	Yes	—
15	No	No	—
16	Yes §	Yes §	Gratuitous service.
17	Yes	Yes	Do not employ strike-breakers; be fair to unionists.
18	Yes §	Yes §	—
19	Yes	Yes	—
20	—	—	—
21	Yes	Yes	Each trade union should have an exchange, either of its own or as a department of the municipal exchange.
22	No*	—	—
23	No	No	—
24	—	—	—
25	Yes	Yes	Strict control by municipality.
26	—	—	—
27	—	—	—
28	—	No†	—
29	Yes	Yes	—
30	—	—	—

§If not a detriment to unionism.

\*Too convenient as strike-breaking agencies.

†It would not help our organization any, and think it would not be of any benefit except to unskilled labor.

Eleven unions reply that they favor such public labor exchanges, eight do not favor them, three favor them conditionally, and eight do not answer the question; that is, 50% of the unions replying favor them unconditionally, 14% favor them conditionally, and 36% oppose them.

Only eighteen of the unions answer the question in regard to whether or not their members will patronize the exchanges; of these eleven say they will, three state that they will conditionally, and four that they will not.

The principal reason given for refusal to favor or patronize the public exchanges is the fear that they will be used as strike-breaking agencies, or detrimental in other ways to unionism. For that reason a few of the unions maintain that it must be kept out of politics.

The cordial attitude of some of the unions is shown by the following statement, made by Union No. 1, "We all join hands in thanking your Honorable Committee in taking such interest in our working conditions and wish you success in your good work. I hope the time will come when the employer and employee will get in better relations with one another and stop all strikes." Union No. 25 replied that in their last meeting they had voted "to co-operate with you in the work in establishing exchanges for the unemployed."

Union No. 22, while opposing public exchanges because of the ease with which they would furnish strike-breakers, stated that the great problem was that the workman "has no means of finding out for himself where men are needed and how many are responding. . . . They must have some method



of finding out the true facts for themselves, so that they will feel safe in relying on the information." This would seem to indicate that if the workmen felt sure that the exchanges were reliable, and if they had a voice in the control, they would not oppose them.

### Causes of Unemployment, as Stated by Labor Unions.

Union No.	Reasons for increase of unemployment in the winter of 1911-12, as compared with previous winters	General Causes of Unemployment
1	Extreme cold .....	—
2	Cold .....	Influx of workers during rush.
3	Unemployment in other work .....	Contractors employ non-union labor.
4	Migration of unemployed to Chicago in winter....	Migration to city, women and children taking work.
5	Cold .....	Seasons.
6	Cold .....	Cold, and lock-outs by employers when overstocked.
7	Lack of work .....	Lack of work.
8	Severe weather .....	More men than jobs.
9	Over-production .....	Inefficiency of workmen.
10	Jurisdictional disputes ....	Seasons, jurisdictional disputes, vacations by property owners.
11	—	Lack of business.
12	—	Lack of building operations.
13	—	Seasons based on habit.
14	Strike .....	Over-supply of foreigners.
15	—	—
16	Political uncertainty .....	Long hours, modern machinery, high speed.
17	Strike .....	Strikes, lock-outs, lack of work.
18	Strike .....	Machinery, employment bureau of manufacturers' association.
19	Severe weather .....	Seasons.
20	Business depression .....	Business depression.
21	Long hours .....	Long hours in busy times.
22	More men hunting for jobs	Seasons, racial competition, laying off men at end of trip, college students who work for fun.
23	—	Intoxicants, neglect of duty.
24	Letting contracts out of city .....	Letting contracts out of the city.
25	—	Seasons.
26	—	—
27	—	Too many young and incompetent workers.
28	—	Improved machinery.
29	Cold .....	Business depression.
30	Severe weather .....	Lack of work.

One of the reasons assigned for the general state of unemployment, general business depression or lack of work was given eight times, seasons six times, inefficiency of workers, migration to the city and machinery three times each; long hours during rush seasons was given in two cases; mention was made one time for each of the following as general causes of unemployment: Women and children in industry, over-production, jurisdictional disputes, strikes, immigration, letting contracts out of the city, and the employment bureau of the manufacturers' association.

Of the reasons given by the unions for the increase in the amount of unemployment in the winter of 1911-12, as compared with previous winters, the severe weather was given in eight cases, strikes in three cases, unemployment in other industries in two cases, general business depression or lack of work in two cases, and the following in one case each: migration to city, over-production, jurisdictional disputes, political uncertainty, long hours, and letting contracts out of the city.

The following quotations express more at length the attitude of the unions in regard to the causes of unemployment.



Union No. 3: "Contractors who do work in our line often send out of the city and get non-union men and we, the permanent residents of Chicago, walk the streets looking for work. But, in the event of the City doing its own work, this is one of the evils that will be done away with."

Union No. 7: "In our craft we have what is called a 'floating' element. They go from place to place where there is any amount of work, and very often a slack season will find a number of them 'stranded,' in the large centers, thus increasing the number of unemployed in such centers. Winter is often a very slack season for our craft."

Union No. 10: "Every July and August a great number of our members are out of work; explanation—vacations of parties erecting buildings. Jurisdictional disputes cause the tying up of construction work. Contractors should observe the jurisdiction of each trade over the class of work granted to it by the A. F. of L. Architects and owners should let no contracts to contractors who will not observe the jurisdiction of each trade."

Union No. 15 stated that immigration was the cause of unemployment, because the immigrants would work for less than the Americans.

Union No. 24: "Look over the contracts that were let out last year for castings of all kinds, from manhole covers to repairs on pumps and all the new pump work. Now this alone would require a great number of mechanics, and labor of all kinds; and again, look at the water meters; the contracts for those are all new; work goes out of Chicago, and, of course, when our work goes out of the city, we are left idle to walk the streets and help to make the army greater. Now, why do we not make our own water meters? Those we are now using are not satisfactory and are very expensive. We can make them at a great saving of money to the city. . . . We pay large salaries to competent engineers in our engineering department. Why can we not also build our new pumps and engines? Why can we not build our own bridges? There will be upward of over a million and a half dollars there alone. I understand two of these already are gone outside the city, and I further understand from an investigation that the city employees have on all past contract-bridges had to take up the work and finish it before the city would accept. If we have to remodel them, why not make them and save the city money and time? There was passed at Springfield an act called the day labor bill, giving the people the right to do all their own work by day labor. If we keep the million or two dollars in Chicago that is spent in letting out contracts, we will reduce the army of unemployed by many thousands and be of great benefit to both merchant and mechanic. . . . When our money goes and our work goes, we cannot help but be idle. I think it is up to this Commission to put a stop to this unjust practice; keep the work in Chicago; give the tax payers a chance to work for themselves, and we will keep the money in Chicago and it will do more to relieve the situation and reduce the army of unemployed and in general satisfy the public. The city is just about to build a foundry. Why not enlarge the machine shop and stop all contract work in general and give the unemployed a chance to earn a living?"

### SUGGESTIONS BY LABOR UNIONS.

Union No. 4: "The best way to deal with unemployment would be to assess every man who is working and in case he is out of work assist him for a certain time. Our union applied this plan twelve years ago with the best results. We assess every member 50c a month and pay to the members who have been out of work for five weeks \$4 a week during the winter months, December, January, February and March."

Union No. 5: "Stop foreign immigration for a period of ten years. Establish a minimum wage. Establish an eight hour day. Build houses that could be rented for lower rent and reduce the price of the necessary means of subsistence."

Union No. 6. "Should the different companies be forced by law in some way to find employment for every man through the winter months, they would use only ordinary power through summer and could easily find work for every man through the winter or at least employ eleven months,

instead of eight. Also, force the farmers to hire men by the year, and not turn them out just as soon as everything freezes up; then they come to large cities, spend their savings in a few days, and are thrown on the labor market for the winter. The same is true of the track gangs of the railway companies."

Union No. 8: "Personally I believe that immigration should be curtailed to some reasonable extent; also, that real estate brokers and others should not advertise throughout the country, as is done at present, that times are good in the large cities, such as Chicago; this brings a large element of floaters to the city, especially in the winter months, thereby taking away the employment from the men who have homes here and families to support. More public improvements could be undertaken to employ more men."

Union No. 12 suggested that the plumbing inspectors should be more efficient, and that this would bring more work for this union.

Union No. 13: "We would like to have a stated season of employment or some means of remuneration for the time we are unemployed, through an exchange or otherwise, where we would not become a burden on the municipality."

Union No. 16 would recommend that the hours of labor be shortened, on account of modern machinery, high speed, and modern shop methods, to eight hours per day in order to give everybody an opportunity for work. The abolition of the piece-work and premium system would help materially. We find there is a tendency among employers to discriminate against men over 40 years, thereby depriving them of an opportunity to earn a livelihood, which makes some of them a charge upon the municipality.

Union No. 17: "Unfair methods of the railroads treating with their employees cause strikes and lock-outs. We would suggest that the eight hour day be enforced, and thereby give employment to more men, and when a reduction in expenses is necessary reduce the hours rather than the force."

Union No. 18: "I would call attention to the secret reports of doctors in the railway hospitals, supported by the men themselves. I hear that if a man has a finger off, for illustration, the doctor cures the finger, and at the same time tests the man's lungs, water, etc., perhaps finds he has Bright's Disease. The secret report is sent in, and this man is discharged at once for something which is trivial, and he is on the streets, a burden on the community. I am told this is done, and give it to you for what it is worth. I am told that the capitalists of this country make or break the labor market at their pleasure."

Union No. 20: "I would suggest remedial legislation covering immigration into the U. S., not to exclude all, but with a view to getting a higher type of civilization than what we now get as a rule. Your Commission could also show their sincerity by advocating a shorter work-day generally. The same amount of work can be distributed among a greater number of men at eight hours per day than if they were required to work ten hours."

Union No. 21: "Eight hours' work for both men and women; no overtime should be allowed. Municipal ownership of factories. Insurance fund for slack times, which should be paid by the bosses and by the workmen. Children under sixteen should not be permitted to work. Old-age pensions which will instate young people in their places. Abolish all sweat shops. Unions to have control of the shops; no piece-work."

Union No. 22: "The greatest problem is that of the migratory or casual laborer, who heads west each spring for railroad, construction and farm work, and returns east each fall to overcrowd the cities and compete for work. (Chicago gets a whole host of these men each winter), who is the constant prey of private employment agencies, to whom state agencies are of little value, and who has no means of finding out for himself where men are needed, and how many are responding. At present when word is sent out that men are needed in a given part of the country these men either respond in droves, resulting in too many coming, or they distrust the information and refuse to come at all. They must have some method of finding out the true facts for themselves, so that they will feel safe in relying on the information. They must be given a chance to solve their own problem—

until they get that chance there will be no solution of it. There are about three million of them, according to the estimates of the American Federation of Labor (officials or delegates), and Chicago is a gathering point."

Union No. 23: "There are a great many men in and around the Union Stock Yards that would not work if you placed a position in their back yard, so long as they get some one to hand them the price, and they can get to the free lunch counters and help themselves. Some of the free lunch counters in this vicinity set up a better meal than one-half of the restaurants do that are located on Halsted near Root Street."

Union No. 26. "Over twenty years study of the labor question has convinced me that the only possible remedy for the dull seasons which, at intervals sweep over every industry, is a curtailment of the hours of labor during the slack periods. This method is somewhat extensively used in various portions of the Old World, but for two reasons American manufacturers are absolutely opposed to the system. Change their views and you will have solved to a large extent the unemployment cause."

Union No. 27: "We believe there should be some regulation of the schools that are at the present time turning out hundreds and thousands of young men and young women, unqualified for work . . . flooding the market, lowering wages as well as standards of work."

Chicago, April 22, 1912.

Gentlemen:

In accordance with a resolution passed by the City Council of Chicago, a Special Commission has been appointed by the Mayor, "to investigate the causes, extent and effects of unemployment and to ascertain what can be done to more effectually relieve the sufferings of the poor and unemployed, and provide employment either in public or private undertakings for the many men who may hereafter be out of work in the City of Chicago."

Actual facts from numerous reliable sources are indispensable to the work of this Commission and we shall rely upon companies like yours to furnish us with authentic data. We hope that you will appreciate our need of your earnest co-operation in a work which, if properly done, will redound to the benefit of employer, employee and our whole community.

Very truly yours,

Dr. R. A. White.  
Edward Tilden.  
Oscar G. Mayer,  
Chairman of Subcommittee.

### QUESTIONS TO EMPLOYERS

1. (a) Give the average number of your employees during the winter of 1911-1912.
  - (b) The previous winter.
  - (c) Two winters ago.
2. (a) During 1911 how many days was your plant working full time?
  - (b) How many days part time?
  - (c) How many days idle and what was the reason for closing down?
3. (a) What are the main reasons for the fluctuations in the number of your employees?
  - (b) In what class or kind of labor are these fluctuations most noticeable?
4. (a) How does the number of men *quitting voluntarily* during 1911-1912 compare with former years?
  - (b) How does the number of *discharges for cause* during 1911-1912 compare with former years?
  - (c) How does the number *laid off* (on account of lack of work only) during 1911-1912 compare with former years?
5. Did more men seek employment from you last winter than in former years? Give reasons.



6. If busy in one department and slack in another is it possible to transfer help rather than discharge and hire new men?
7. What is your method of paying employees—Weekly or monthly? By cash or checks? Give reasons.
8. (a) Are your works wholly or partly unionized or neither?  
(b) If partly, which branches are and which are not unionized?
9. (a) Do you employ female help?  
(b) How many?  
(c) At what class of work?  
(d) Do you employ married women?  
(e) How many?  
(f) To what extent do you employ women at work formerly done by men, and your reason for doing so?
10. (a) What are the prevailing nationalities among your employees?  
(b) Are your employees reasonably skilled, intelligent, steady and sober?  
(c) Describe their general character.  
(d) What is their average age?
11. (a) Have your employees as an average any "surplus fund"; that is, do they own homes, have they savings accounts or credit to tide them over slack times?  
(b) Have you a system of helping needy new employees by means of a commissary, through arrangements with a boarding-house, or through "on account" payments on their wages?
12. (a) Can you always get all the help you want?  
(b) What kind of labor do you find scarce?  
(c) What kind is over supplied?
13. How do you get your help—  
(a) Through a public employment agency?  
(b) Private employment agency?  
(c) Through the newspaper?  
(d) By application at your plant?  
(e) By recommendation of your employees?  
(f) Reasons for your choice?
14. (a) Would you favor employment exchanges under public management such as are operating with great success in Europe?  
(b) What features about such exchanges would you recommend?  
(c) If the Commission recommended a system of efficient State Labor Exchanges would you be willing to patronize them?
15. General.—Any facts relating to unemployment and suggestions as to means of reducing this evil and wisely assisting those out of work are solicited by the Commission. State fully.

## II. REPORTS OF SUB-COMMITTEES.

### 2. Employment Agencies.

- a) Private Employment Agencies.
- b) Labor Bureaus Not Operating For Profit.



## PRIVATE EMPLOYMENT AGENCIES IN CHICAGO

On March 29, 1912, there were in operation in Chicago, 249 private employment agencies, which charged fees for positions and consequently were licensed. These agencies deal principally with the following kinds of help:

	No. of Agencies
Domestic (including restaurant and hotel help).....	81
Labor (including a few skilled laborers).....	59
Theatrical .....	41
General (all kinds of labor, both sexes).....	17
Clerical and mercantile.....	18
Nurses .....	13
Teachers .....	8
Hotel and restaurant.....	6
Barbers .....	3
Printers .....	1
Architects .....	1
Choir .....	1
Total .....	249

In addition there had been licensed during the year ending April 1, 1912, seventeen other agencies which had ceased or never begun operations; the general explanation of this fact is the lack of success of such agencies.

Within each of the classes of agencies mentioned above there is generally considerable specialization; some of the domestic agencies deal almost exclusively with private families; others almost entirely with one line of restaurants or hotels; others with clubs. Some of the mercantile agencies deal almost entirely with the positions requiring considerable clerical skill and paying more than \$1,000 a year; others deal principally with positions that pay \$6 to \$14 a week. The Great Northern Railway Labor Exchange hires men only for the Great Northern and Burlington railways. Some deal almost exclusively with one nationality.

A more detailed description of the methods used, the efficiency and the fees of these classes of agencies is given. This is based on an investigation of a few agencies of each kind.

*A. Labor Agencies:* The labor agencies deal almost entirely with unskilled labor; most of these agencies are situated on Canal Street and on Madison near Canal. There are a few agencies which deal with more skilled labor, situated in the loop district; most of the skilled laborers, however, secure their positions through their trade unions or by newspapers or personal solicitation.

The positions to which the laborers are sent are principally in railway and construction work; a great part of this is outside of the city. Mr. Clapp of the firm of Clapp, Norstrom and Riley, stated that a restriction of immigration would be disastrous to the industry of the country; when anything is moving now it is almost impossible for the labor agencies to secure laborers enough to supply the demands of employers. Mr. Dodge, who is an agent of the Tennessee Coal, Iron and Railway Company of Alabama, stated that industry in that region, and in other regions also, is starving for labor. It is impossible to secure help enough. Mr. M. T. Todorovich of the International Labor Agency, stated that he had had a standing order for two years and a half for all the laborers he could send to the West, and that he was not able to send nearly enough. Most of the industries in which this scarcity is found have wages fixed at about \$1.50 a day. The work is done almost entirely by foreigners; the Americans are not sent out on such work (1) because they would leave the work at harvest time for better wages, (2) they will not board themselves as the foreigners will, (3) they complain about the conditions of work, (4) they are more likely to misuse the transportation given to them. Several agents stated "Show me an American laborer, and I will show you a bum."

There are various *methods used by these agencies to secure work*. Some of them are evidently offices of railway companies. The Great Northern Railway Labor Agency secures all the labor for the Great Northern and the Burlington routes, either directly or through other labor agencies when it cannot secure enough directly; it does no other work than the hiring of men for these two systems. Mr. Stamidtetus is reported to have secured a right to place all laborers on the Northwestern system, in return for which he guarantees the Northwestern road that the laborers will pay at least \$75,000 a year in transportation. This work on the Northwestern is sublet to other agencies to a very great extent; the Great Northern Railway Labor Agency does not sublet its contracts until it is unable to secure laborers enough. The other labor agents are much more ready to co-operate with the Stamidtetus agencies, because they thus have a chance to place men on the Northwestern system in the good as well as the bad seasons. When these contracts are sublet, the fees are divided between the agencies concerned.

In addition to such standing contracts with firms or contractors, there have been built up personal attachments and reputations, which are influential in securing contracts to fill positions.

There are also charges that the labor agents secure such contracts by payment of part of the fees to the boss or foremen who hire the men for the firm.

The labor exchanges advertise, and circularize in order to secure and keep their trade. They make very great efforts to secure the men that are demanded by the employers; frequently the fees are remitted in order to secure laborers enough to meet the demands; sometimes transportation is paid, meals given and other means, which will be mentioned below, used in order to secure laborers enough. The principle of their business is to secure laborers at any cost in order to hold the trade of the employers. The employers do not pay any fees for this service, but they are the ones whose trade must be held.

The *method of getting men* is really an indirect method; it is done largely through interpreters; if an agency has an opening for 50 men in railway work, the agent sends for the interpreter of some gang; it is generally reported that he offers a certain amount to the interpreter for a gang of 50 men; this may be 50c a head, or \$1.00 a head or even more. The interpreter then picks up the 50 men, if satisfactory conditions are secured, takes them to the agency to sign the contract and secure numbers, conducts them to the stations and manages their transportation for them. This interpreter may change the entire gang in a short time in order to secure another fee; frequently a gang will work through the entire summer without a change. The work generally lasts from April to December.

When the interpreters known to the agents have all gone out with their gangs and other demands for laborers come in to them, they have to make vigorous efforts to secure men. Most railroads refuse to accept "white men" for their construction work. A few scattered foreigners can be secured by personal solicitation, but generally not nearly enough. Mr. M. T. Todorovich, of the International Labor Agency, stated that he had fourteen solicitors in the field last summer attempting to secure laborers; these solicitors go to the gangs on other railroads and 'steal' them if possible; if they cannot get them thus, the solicitors go to the east or south and bring laborers; he may need to go to New York, Pennsylvania, New Orleans, or some other parts of the United States, but he secures the men, if it is possible to secure them at any cost. When men are brought from the mines or factories of New York or Pennsylvania or other states, the agent advances their transportation to Chicago, feeds them on the way, gives them the job without office fees, gives them free transportation to the place where they are needed, and uses any other means possible to get them. The following figures show what was done in one agency in the last two years:

## Men Placed by Clapp, Norstrom and Riley.

	In the year ending Nov. 1	
	1910	1911
Foreigners without fees.....	370	157
Foreigners with fees.....	7,184	5,199
Total foreigners .....	7,554	5,356
"White men" without fees.....	2,288	3,679
"White men" with fees.....	10,066	6,482
Total "white men".....	12,354	10,161
Total, all men placed.....	19,908	15,517

Thousands of dollars are advanced for transportation; most of this is to foreigners; the reason it is not advanced to "white men" is that the Americans cannot be depended on to do the work when they reach the destination.

The fees charged depend entirely on the supply of labor accessible. It is as high as \$15 at some times; in other seasons there is no fee. The most usual fees are \$4 to \$6 in the spring, and \$2 to \$4 a little later. The average fee of Clapp, Norstrom and Riley in 1910 was \$1.36. In the spring the men have to pay the cost of transportation; this generally amounts to not more than \$4 east of the Missouri River, and a flat rate of \$6 for all places west of the Missouri River. They get the same rate back if they work for six months.

The expenses of the labor office of Clapp, Norstrom and Riley are about \$600 a month; by the Great Northern Railway Labor Agency, about \$200 is spent for rent alone each month, though the office is practically useless during the months from December to March.

There is no co-operation between the labor agencies in Chicago and those in other cities. The reasons for this, as given by the agents, are that they do not have confidence in the other agencies, and they can get the help they require more cheaply by sending a solicitor after it than by dividing fees with other employment agencies. Two of the agencies have branch offices in other cities; these are the Great Northern Railway Labor Agency and the Clapp, Norstrom and Riley Labor Agency; the first has other agencies in St. Paul, St. Louis, Kansas City, Seattle, Spokane and Portland; the second has a branch agency in Minneapolis.

*B. Domestic Agencies:* The employment agencies which are principally for unskilled women are generally known as domestic agencies; this does not mean that they place women only in domestic positions, for in many of these agencies there is specialization on clubs, or restaurants. The agencies furnish kitchen girls, dish washers, scrub girls, dining room girls, etc. Many of these do not make much more than enough to pay for the license; such agencies are conducted in the home of the agents and as part of the household duties. There are other domestic agencies which have been very successful financially.

The methods of coming in contact with the employers are to send letters and circulars to managers of clubs, restaurants and hotels; to answer newspaper advertisements for the girls who want work; personal solicitation; advertisement of the agency in the papers. They depend very largely on the reputation that has been established. Most employers call on the agencies to secure help; the agency which becomes known is the one called on. Sometimes an agency secures a contract to place all the female help required in a number of restaurants which are under the same management. Charges are made that such contracts are bought. There are charges, also, that when such contracts are secured by an agency, the women are changed every few weeks in order to secure the additional fees.

The methods of securing the female help are personal solicitation, advertisements in newspapers, and establishing a reputation. For the most part the girls come to the agencies and not many efforts are made to secure the girls. There is almost always a surplus of demands for girls for domestic work in private homes.

Fees are generally \$1 or \$2 for registration of girls. This frequently means that two or three positions must be secured for one girl on the one registration. The girl may not like the first position offered, may think it is



too far from home, or the hours unsuitable, etc. One firm made a definite offer to give three jobs for one registration. For private positions some agencies also charge the family a fee of from \$2 to \$10. There are complaints that some agencies merely charge fees for registration and then make few efforts to place the girls who have registered; the fees must be returned, in such cases, after thirty days; but many who have registered do not come back for their fees.

One element in the *expense* of this kind of agency is the cost of conducting the girls to the positions; many of the foreign girls are unable to find their way to the places vacant; one agency has two girls who are trained to conduct several girls around to the various vacancies; almost all the agencies which deal with foreign girls have to make similar provisions. The agency generally pays the carfare in such cases.

It is not possible to estimate the expenses of such agencies, but they are not very great; the rent and advertising cover most of the expense.

C. The *hotel agency* differs from the domestic agency in dealing exclusively with hotels, clubs and restaurants, and in including both male and female help. There are six agencies of this sort in operation in Chicago.

The hotel agency comes in *contact with the employers* by advertisements, circulars, personal solicitation, etc. Mr. Lawlor, the manager of the Chicago Hotel Employment Agency, stated that he had been manager of a hotel for several years, and that he attended a great many of the meetings of hotel associations for the purpose of keeping in touch with the hotel managers. Close attention to the demands and desires of the hotels is the only way of keeping the trade of hotels. Most of the work done by such agencies is outside of Chicago; the hotels and restaurants in Chicago secure their help through the domestic agencies and the trades unions.

The reputation of the agency is the principal *means of securing the help*; the hotel employees change their positions almost every spring; this is of advantage to the hotel agencies for they thus secure a supply of applications for the summer resorts and out-of-town hotels with which they deal; if help cannot be secured in other ways, they are "stolen" from local hotels.

The *fees* depend on the salaries paid; they vary from 10% to 25% of the first month's salary; for a salary of \$100 the fee is generally 10%. The transportation charges are advanced to the employee, and then taken from the wages: this is a source of considerable loss to the agency, for many of the employees secure transportation to a position, and then do not take it.

There is much more *expense* attached to such an agency than to the domestic agencies; there must be much correspondence, many telegrams sent, outside solicitation and advertising.

There is no co-operation with similar agencies in other cities.

D. *Clerical and Mercantile Agencies*: The clerical and mercantile agencies are of two rather distinct classes: (1) those that deal with the more skilled employees, who can command salaries of more than \$1,000 a year, and who are generally employed when they apply to the agency; (2) those that deal with the cheaper positions, filled by clerks who receive less than \$1,000 a year, and who are generally unemployed when they apply to the agency. Many of the positions of the first kind are outside of Chicago and even outside the state; most of the positions of the latter type are in Chicago. The positions of the first kind require a very careful investigation of the record of the applicant to obtain information on the basis of which recommendations can be made; the employees of the latter type are investigated in only a superficial way; this investigation is generally supplemented by an investigation made by the employer who intends to hire the applicant.

The agencies of both kinds have a rather high development of *methods of learning the needs of their trade*; they have offices in the loop; they generally have several telephones in the offices; they have a number of solicitors investigating the positions and the employees. The Business Service Company co-operate with similar offices in Cincinnati, Denver, St. Louis, Minneapolis and a few other cities. This firm refuses to permit the cheaper clerks to register, because employers might doubt the efficiency of the office, if such clerks were seen in the waiting room.

The *employees are secured* by telephone, and by correspondence, by advertising in newspapers and by personal solicitation. If a firm makes a request for a clerk,

the agency attempts to find such a man; it makes no difference whether the man is already employed or not, though the employed man has the benefit in some cases; if the agency can find the man required, they attempt to induce him to take the position which is open. There are some agencies which refuse to take applicants who are already employed; they are not able to secure satisfactory references from such persons, because of the danger of losing the position held at the time.

*Fees:* The fees for the better positions are generally 60% of the first month's salary in addition to a fee of \$2 for registration; the fees for the cheaper positions are generally one week's pay if the job lasts six weeks or more; if the work is temporary, the fee varies from one-tenth to one-sixth of the amount received. If the position is out of town, the transportation is sometimes advanced; sometimes the employer pays this transportation.

There is a great deal of difficulty in collecting these fees; the agencies which deal with cheaper help are able to have the wages assigned to them, but the other agencies do not follow this course, (1) because it would show that the agency did not trust the men whom they were recommending, and (2) because they do not wish to bother the employers. One firm has over \$4,000 on its books now in fees due. Many of the applicants who are referred to vacant positions do not apply for the positions; this gives the agency a bad reputation, and causes a great deal of difficulty; many persons who are placed in the cheaper positions do not hold them long; one firm estimated that the average position was held for about six months. King's Mercantile Agency has more trouble with the employers than with the employees; a firm calls up several agencies and gives an order to each; each agency sends a man and the first satisfactory man who reaches the office gets the position. Charges are made that some of these clerical agencies place large advertisements in the newspapers, and secure a great many applications from the unemployed, when they really have few positions which they can fill; each applicant registers and pays a fee of \$2.00; this fee cannot be returned for thirty days unless the agency chooses to pay it back sooner; many of the applicants do not take the trouble to secure the return of their fee, though they consider the practice unjust.

Mr. King stated that he did not co-operate with offices in other cities, because nine-tenths of them are bad.

The *expenses* of these mercantile offices are generally high; the rent is generally from \$200 to \$500 a month; several of the offices have five or six telephones each; the expenses of the work outside the city are very great; the Business Service Co. recently spent \$18 in telegrams in regard to one position; the cost of securing information on which to base recommendations is great.

E. The *general employment exchange* is a combination of the labor agency and the clerical agency; it deals with both men and women. They have a great deal of work in skilled trades, also. The La Salle Employment Agency and the American Employment Association are examples of this kind of agency. There is nothing in their methods that differs from the methods in the agencies described above. Their fees are generally either a flat rate of \$5 for any position, or else a percent of the first month's salary, with \$5 as a general maximum. Many of these fees are never paid. In the La Salle Employment Agency there are hardly ever enough women to satisfy the demands for domestic and clerical positions, and in both the La Salle Employment Agency and the American Employment Association, it has been possible, according to the statements of the managers, to secure, either immediately or within three days, work of some kind for any applicant who wanted to work; they state that most of their applicants who do not secure work fail because they do not want to work, or else because they are too particular about the conditions of work,—refuse to work at night, or at the wages offered, or at the kind of work offered.

Each of the agencies mentioned above has seven or eight telephones; each morning the telephone operator calls up the regular patrons of the agency and asks if men or women are wanted, the nature and conditions of the work, etc. These agencies have developed the technique of their business more than the regular labor or domestic exchanges have.

F. *Teachers' agencies* are engaged in business which is mostly interstate; the applications are located in every state in the Union, and positions are filled in every state. About one-tenth of the applicants secure positions; this small percentage is due to the fact that many applicants register at several offices, many secure posi-



tions through their own efforts; and many go into other occupations. Such work requires considerable advertising among school officials and prospective teachers. In these agencies ten to fifteen clerks are generally employed. The total expense of the Thurston Agency for a year is about \$13,000. The ordinary fee is 5% of the first year's salary, plus \$2 registration fee; the Thurston Agency has almost entirely done away with this registration fee in order to increase the number of applicants.

G. *Theatrical agencies* are more than employment agencies; they not only secure the initial position for actors, but have the entire management of the act during the season, keep it moving from one theatre to another,—the theatres at which it appears generally being entirely in the hands of the agency.

The agents must also inspect the act when it is first presented, determine its worth, and place it with reference to the tastes of the communities in which the theatres of their line are located. Most of this work is interstate business; only about 5% of the actors engaged live in Chicago, and about 5% more in the rest of Illinois; the acts are sent over the states of the Middle West for the most part, but to some extent to other states. The Western Vaudeville Managers' Association is the largest agency in the theatrical line in the United States. It rents three floors in the Majestic Theatre building, at \$5,000 each; it employs 69 clerks, at a total weekly salary of about \$1,500; it books all the acts for 147 theatres which are in its circuit. The ordinary fee is 5% of all salary received.

H. *Nurses' agencies* are similar to theatrical agencies in not only securing the initial position, but in keeping the nurses employed; the nature of their work is such that they can be engaged ordinarily at one place only for a short time; the agency undertakes to secure a continuity in positions. The registration fee is generally \$2, and in addition there is a commission of 5% of the entire salary received while registered. Most of this work is confined to Chicago.

*Suggestions from methods of private agencies.* This description of the methods used by private employment agencies shows several explanations of their success: (1) The successful agencies have generally been in business for over 10 years; this means that they have established a reputation; it is as important for an employment agency to be known to its patrons as it is for any mercantile establishment. There are thousands of people who do not know there is a state employment agency in Chicago, and thousands more who do not know there are three agencies of that kind in Chicago.

(2) Advertisements and circulars describing the nature of the work done by the private agencies are frequently sent out to patrons; the agencies attempt to secure a definite list of patrons, to hold them, and to enlarge the list.

(3) Personal solicitation is as important an element in the success of the private agencies as in any other business. One agent stated that he went personally to the patrons of his business about once every three months, in order to keep them acquainted with him, to learn whether they had complaints or suggestions to make, etc.

(4) The private agencies do not hesitate to make expenditures for the sake of keeping up their business. The more successful agencies have seven or eight telephones, with two or three operators; they have rooms on which the rent may be three or four times as much as on the offices of the State Employment Office; they have a number of solicitors in the field all the time drumming-up trade; in some cases they send these solicitors to distant states to secure laborers; they advance the money required for transportation to the place where the employment is to be had; the agency of Clapp, Norstrom and Riley has equipped a free pool-room,—with tables for cards, and with a toilet,—in which the men may stay while they are waiting for jobs; there were at least 200 men in this room when it was visited; some of the agencies hire persons to conduct the unemployed to the vacancies.

The entire explanation of the success of the private employment agencies is that they have used business methods and have made expenditures in order to secure and hold the trade of their patrons, by doing their work more efficiently than other agencies do it. The State Employment Agency has made a comparative failure because it has failed to use such methods.

*The attitude of the employment agents toward their work.* The employment agents quite generally expressed themselves to the following effect: (1) The private employment agents are necessary in our present system; they are performing



a very useful work; they save time and trouble for both employers and employees. (2) The employment agencies as a class are justified; people generally criticise all employment agents without reference to the differences in the methods; there are some unscrupulous agents in this business, but as a class employment agents are not more unscrupulous than bankers, or merchants. (3) It should be made more difficult for agents to secure licenses to run employment offices; this would shut out a good many of the good-for-nothing agencies; would make inspection of the existing agencies easier; and would tend to establish the employment agencies as a reputable and necessary business.

*The attitude of the employment agents toward the State Employment Office.* The private employment agents expressed their general attitude toward state employment agencies as follows: (1) The *State Employment Agency* would be a good thing for the private agencies if it were successful enough to get employers in the habit of getting their employees through agencies, rather than depending on the crowd of surplus unemployed at their gates; but at the present time some of the large firms,—such as the International Harvester Company, the Steel Mills, etc.—employ more new men in one day than all the men placed through the private, state and charitable agencies of the city in a day. (2) The state agency can not succeed in this country because of the feeling of independence of the people; they will not patronize a free agency, because it is regarded as charity; only those who are “down-and-out” will go to it; since these applicants are inefficient, the employers will not patronize it except as a last extremity.

The answer to these last objections made by the employment agents is: (1) The employers of the city have as much independence as the employees; nevertheless, the employers get almost all their help free through the private agencies; it is only in exceptional cases, such as domestic service, that fees are paid by employers; in some cases the employer gets a part of the fee paid by the unemployed; the service to the employer is just as great as the service to the employee; the employee has to pay for it. This is charity to the employer, which his feeling of independence does not prevent him from accepting.

(2) Many of the private agencies charge no fees when it is difficult to secure labor; in summer time the labor agencies make very great efforts and offer large inducements to laborers in order to get them to come to their offices; they offer free transportation, charge no fees, give them provisions while they are on the way to the place of work, and offer other inducements; if it were true that the “feeling of independence” would prevent the laborers from taking something for nothing, these methods would keep laborers away from the offices.

(3) A state employment office or a city employment office is no more charity than the public schools; both employers and employees contribute through taxation to its support. It was prophesied that self-respecting people would not send their children to charitable institutions, such as public schools; it is soon realized that they are not charitable institutions, but are public institutions, in the control and management of which the people are justified in demanding a part.

# FEES CHARGED AND ROUGH ESTIMATES OF THE NUMBER OF POSITIONS FILLED BY PRIVATE EMPLOYMENT AGENCIES OF CHICAGO IN 1911.

Kind of Agency	Positions Filled	Fees
<b>Labor agencies:</b>		
Great Northern .....	12,000-15,000	4 to \$6 when laborers are plenty; no fees when scarce.
Balkan Labor Agency	—	Same fees as Great Northern.
International .....	—	\$6 to \$8 when laborers are plenty; no fees when scarce.
Freeland .....	10,000	\$10 to nothing.
Clapp, Norstrom and Riley .....	15,517	\$15 to nothing; the average fee for 1910 was \$1.36.
<b>Domestic:</b>		
Schmidt Empl. Ag....	4,000	\$2 for girls; \$2 to \$10 of private families asking for girls.
Kaliszewski Emp. Ag.	150	Same as Schmidt.
Rutowski .....	2,500	\$2 paid by girls.
Komnik .....	300	\$1 to \$2 paid by girls.
<b>Hotel:</b>		
Chicago Empl. Ag....	2,000-3,000	10% to 25% of first month's salary.
<b>Clerical and mercantile:</b>		
Trueblood .....	700	2% for positions paying less than \$1,500 per year to 4% for positions paying more than \$3,600 per year; 7.5% of salary received for temporary positions.
Fulton-Lange .....	—	Registration fee of \$2; from one week's salary for positions paying less than \$15 per week to 60% of first month's salary for more than \$1,200 per year.
Business Serv. Co....	400-500	Registration fee of \$2; 60% of first month's salary for permanent positions; 10% of salary for temporary positions.
King's Mercantile Ag.	60 per day in good times	One week's pay; one-sixth of salary for temporary work.
Merchants' Cler. Exc.	—	One week's pay.
<b>Theatrical agencies:</b>		
Western Vaudeville ..	6,000-8,000	5% of salary.
International .....	200 per week	5% of salary.
Doutrick .....	500 per week	5% of salary.
Friedenwald .....	1,000-1,200	5% of salary.
<b>Nurses agencies .....</b>	—	5% of salary.
<b>Teachers' agencies:</b>		
Thurston's .....	500-700	5% of year's salary.
Brewer .....	400-500	5% of year's salary + \$2.
Albert .....	500-700	5% of year's salary + \$2.

## A REPORT ON SOME LABOR BUREAUS IN CHICAGO NOT OPERATING FOR PROFIT.

By Mr. R. W. Foley.

The investigation upon which this report is based was made during the months of April, May and June, 1912, among 25 organizations. Some among the number are doing a work so similar as to admit of a distinct classification by themselves, but because as a whole the work done by the organizations is so miscellaneous they will for the most part be considered as a miscellaneous whole.

The organizations visited are as follows: The Volunteers of America, 1201-1213 West Washington Street; The American Salvation Army, 1816 Lake Street; The Chicago Christian Industrial League, 10-14 East Twelfth Street; The Salvation Army Industrial Home, 211 North Green Street; The Parting of the Ways Home, corner 22nd and Clark; The Central Howard Association, 509 Monadnock Block, 312 South Dearborn Street; The Chicago Typothetae, 53 West Jackson Boulevard; The National Founders' Association, room 842, 29 South LaSalle Street;

The Metal Trades Employment Bureau, 115 South Dearborn Street; The Remington Employment Agency, 35 South Wabash; The Underwood Typewriter Company Employment Agency, 14 South Wabash; The L. C. Smith Brothers' Employment Bureau, 123 North Wabash; The Chicago Business College, 132 North Wabash; The Metropolitan Business College, 37 South Wabash; The United Charities, 165 North LaSalle Street; The Masonic Employment Agency, 159 North State Street; The Fellowship Association Royal League, 1607 Masonic Temple; The Negro Fellowship League Employment Agency, 2830 South State Street; The Catholic Woman's League, 7 West Madison Street; The Swedish National Association, 107 North Dearborn Street; The Swedish American Employment Agency, 465 West Chicago Avenue; The Norwegian National League Employment Bureau, 2742 West North Avenue; The B'nai B'rith Free Employment Agency, 720 West Twelfth Street; The Y. M. C. A. Employment Bureau, 830 South Michigan Boulevard; Malcolm McDowell, Agent, 125 West Monroe Street.

The first four organizations named in this list, namely, The Volunteers of America, The American Salvation Army, The Chicago Christian Industrial League and the Salvation Army Industrial Home are alike in that they all support themselves wholly or in large part (*i. e.* in the department where wagons are used) by the sale of various articles collected from all parts of the city by wagons. In the Volunteers of America regular men are employed to drive the wagons, but in the other three organizations the drivers and other workers in the department, including paper and rag sorters and furniture repairers, are transients, needy and without work, to whom work is given for a time until other employment can be secured. In all four of these cases the employment department itself is only a part of the whole work done by the organizations. Much of their employment work is done as a means of temporary relief.

The Parting of the Ways Home gives temporary lodging and board, and in most instances clothes to men discharged from the Bridewell and other penal institutions, and secures employment for them as nearly as possible suited to their capabilities. The Central Howard Association secures employment for and otherwise assists men discharged from penal institutions, and men on probation and on parole.

The Chicago Typothetae, The National Founders' Association, and The Metal Trades Employment Bureau are labor bureaus operated by Employers' Associations for the benefit of the members in the Association, with the object to be able to secure at all times sufficient open-shop labor so that the employer will not be in the grasp of the labor unions.

The Chicago Business College and the Metropolitan Business College are representative of the labor exchanges necessary for the placing of graduates from such schools into active business life.

The Remington Employment Agency, The Underwood Typewriter Company Employment Agency, and the L. C. Smith Brothers Employment Bureau furnish a clearing house for typists and stenographers and employers of such labor. These bureaus are placed under the heading "Bureaus not for Profit," but in reality they are operated directly for advertising purposes to the end that more machines may be sold to the public.

The work done by Malcolm McDowell, as acting agent for some private parties interested in the labor problem and the "down and outs" needs special mention. Mr. McDowell's bread-line of last winter and his provision of warm clothes to make it possible for many unemployed to work in the ice fields and elsewhere and his activity in securing shelter on cold nights for many without a comfortable place to sleep has been in part, at least, the means of awakening the city of Chicago to the need of serious thought about the problem of unemployment, as evidenced by the appointment of a Commission to study the Nature and Extent of Unemployment in the City.

Brief mention will be made as to the purpose of the other organizations visited. The United Charities seeks employment for people only as a means of relief. Sometimes it pays the fee for the use of one of the regular agencies operating for profit.

The Masonic Employment agency is operated for the benefit of Masons, the Fellowship Association Royal League for members of the Royal League, the Negro Fellowship League Employment Agency for negroes, the Catholic Woman's League for working girls with a view to protect them from lives of prostitution, the Swedish National Association and the Swedish-American Employment Agency for Swedish,



Danish, Norwegian and Finnish, the Norwegian National League for Norwegians, the B'nai B'rith Free Employment Agency for Jews, and the Y. W. C. A. for working women.

**How Supported.** Of the four organizations making collection of old materials by wagons, two are supported entirely by the sale in stores of this material. These two are the Salvation Army Industrial Home and the American Salvation Army. The other two, namely the Volunteers of America and the Chicago Christian Industrial League, are supported partly by the sale of materials collected and partly by voluntary contribution. The three bureaus operated by employers' associations are supported by membership dues, paid by the employers who are benefited, in proportion to the number of men they have in their employ. The business colleges and typewriter concerns pay directly out of their treasury for the maintenance of their labor bureaus, counting this expenditure, as has already been indicated, as profitable advertising. The other bureaus are supported either by the nationality or class or society for whose benefit the bureau is maintained, or by private contributions on the part of those who are interested in the particular kind of work supported.

**To Whom Accountable.** Each bureau is accountable either to those who give their support to the work, or to some sort of board of directors or managers who attend to the oversight of the use of the funds placed in their hands. In 23 out of the 25 bureaus here represented there is a committee or board of directors in charge representing the people who are behind the work.

**Licensed and Why.** Only four out of the twenty-five bureaus have state licenses, namely: The Y. W. C. A., the Swedish American Employment Agency, the National Founders' Association, and the Chicago Typothetae. The Swedish American Employment Agency has a license because they say that without a license and without the right to charge for services when people were able to pay, they were too much imposed upon by unworthy people. The Chicago Typothetae has a license so that union men will not keep running to Mr. Cruden's office to make complaint about them. They feel that they can be open to no criticism when Mr. Cruden, the State Inspector of Labor Bureaus, has access to their office at all times.

**How to Get in Touch With Employers.** The Central Howard Association and the Parting of the Ways Home, which deal with discharged prisoners and men on parole and on probation, have a list of friends of the work who are employers of men and upon whom they call when in need. Many employers are glad to get such men, because in many instances the men give better service than the average workmen in their desire to make good. Only the members of the Employers' Associations are benefited by their bureaus, unless it happens that there is an excess of workmen, in which case the associations try to keep their men busy. At the other twenty bureaus application is made at the office, and in thirteen out of the twenty some aggressive work is done to get in touch with employers, either by advertising or by personal solicitation.

**How to Get in Touch With Employees.** The men on parole and on probation at the Central Howard Association are sent by the court or by the prisons. The three employers' associations do some advertising for men. The business colleges have the people with whom they deal in their schools. The Negro League and the Catholic Woman's League also advertise their work; the Negro League in the South and also the North and the Catholic Woman's League in all Europe. With these exceptions application is made at the office of the bureaus.

**To What Extent is Business More Than Local?** The National Founders' Association sends about 95% of their men out of town. With the exception that some men are sent to factories at Moline and Joliet and some to farms, and some girls to out of town work as maids, most of the remainder of the business is local.

**Investigation of Applicants for Work.** Thirteen out of the twenty-five bureaus make some sort of investigation of the men who seek work, and twelve make no investigation. In all cases where investigation is needed it is made. It is not needed for very short jobs of manual labor.

**Slack and Busy Months.** The Y. W. C. A. Employment Bureau is very dull in midsummer and midwinter. The Business College Bureaus are busiest at the time of year when the largest number of students are being graduated,

namely in the months of March, April and May for stenographers. The typewriter agencies are busy all of the time. What they lose in placing people in permanent positions in the summer months, they gain in the placing of temporary help to substitute for the many stenographers away on their vacations. In the Metal Trades Employment Agency business is slack from the middle of November until the first of February. In the National Founders' Association Bureau business is said to be a feast and a famine. The heavy machinery business has not picked up since the panic of 1900. In the Chicago Typothetae Agency the slack months are May, June, July, October and November. Of the remaining bureaus eight report more men than jobs in the winter time and *vice versa* in the summer time.

**Methods of Selecting Applicants for Positions Offered.** Five of the bureaus favor as much as possible applicants with no money, and hence most in need of assistance. Three bureaus give employment first to the first men in the office after the job is registered, provided of course the man is at all suited for the position. The other seventeen bureaus use wholly their own judgment in placing the men, endeavoring to place the men in such positions as they can best fill and where they will remain for the longest time.

**Co-Operation With Other Bureaus.** The labor bureaus of the three employers' associations here listed co-operate with other agencies in the same system in other parts of the United States. The typewriter agencies and the business college agencies co-operate with each other for mutual benefit—the business colleges training the pupils to use the writing machines and the typewriter companies helping to place the students when they have finished their school training. Aside from some other very slight co-operation, which is scarcely worthy of special mention, the other bureaus operate entirely independently.

**Kinds of Work Offered.** The three Employers' Association labor bureaus offer work in line with the special trades represented. The Typothetae handles printing and binding help; the Founders' Association moulders, core makers, etc., and the Metal Trades Association machinists, pattern makers, blacksmiths, coppersmiths, sheet metal workers and iron workers. The graduates from the business colleges are fitted to be bookkeepers, stenographers, or office help. The typewriting concerns handle typists and stenographers. Sixteen of the remainder offer nearly every kind of work, including a great many odd jobs of manual labor. Some of these sixteen mentioned try to specialize in some degree in certain kinds of work, but they do not specialize to the exclusion of other kinds. They exist to help unemployed people and endeavor to place applicants as nearly as possible in work suited to their working ability.

**Number of People Placed in Jobs.** The figures given in the following table include in many cases repeaters, i. e., the same individual is counted as many times as he has secured work through the bureau. In cases where individuals are counted instead of positions given this fact will be indicated.

- (1) The Volunteers of America secured work for 5,437 people in 1911.
- (2) The American Salvation Army use about 500 per year in their work. They have a capacity for 30 men at work at one time.
- (3) The Chicago Christian Industrial League uses in its own work about 1,000 men per year. They have a capacity of 50 men at work at one time.
- (4) The Salvation Army Industrial Home average 10 new men per week the year round.
- (5) The Parting of the Ways Home has secured work for 2,052 men in two and a half years, since its organization. This work has increased greatly from year to year.
- (6) The Central Howard Association has secured employment for 6,000 in ten years. It secured employment for 1,456 in 1911.
- (7) The Metal Trades Association secured work for about 10,000 per year.
- (8) The Remington Typewriter Company places 700 per month.
- (9) The Underwood Typewriter Company places about 8,000 per year.
- (10) The L. C. Smith Typewriter Company placed 1,200 from January 1, 1912, to May 1, 1912.
- (11) The Chicago Business College places from 15 to 40 per month.



- (12) The Metropolitan Business College places about 2,000 yearly.
- (13) The Masonic Employment Agency places from 40 to 50 per month.
- (14) The Fellowship Association Royal League places from 50 to 75 per year.
- (15) The Negro Fellowship League secured employment for 200 different people in six months, from November 1 to May 1, 1912.
- (16) The Catholic Woman's League between May 1, 1911, and March 15, 1912, placed permanently 450.
- (17) The Swedish National Association places about 4,000 per year.
- (18) The Norwegian National League placed 1,000 in 1911.
- (19) The B'nai B'rith placed 2,575 in 1911.
- (20) The Y. W. C. A. placed 533 women in the fiscal year 1910-1911.
- (21) Malcolm McDowell assisted 12,000 men from December 12, 1911, until March 18, 1912. For part of these he secured employment, but not for all.

**Time of Waiting for Work.** The Parting of the Ways Home and the Central Howard Association always have on hand some sort of employment for discharged prisoners and men on parole and on probation. Sometimes men have to take work which is not suited to them until better work can be secured. There is always a place for a really competent stenographer, and many more girls could be used for housework than can be secured at any time. In the spring and also at other times of year farm labor is scarce. There is a dearth of first class skilled mechanics of all sorts. Many present themselves as skilled workmen who are not good at their trades. Not enough manual labor positions can be secured for men making application for work in the winter time, and not enough men can be found for such work in the summer time.

**Fee Charged Employers.** The members in the Employers' Associations are assessed membership dues in proportion to the number of men they employ. No charge is made to the members in addition to this membership fee. The Swedish National Association and the Norwegian National League charge \$1.00 for girls but nothing for boys. The Swedish American Employment Agency charges from \$1.00 to \$2.00 for women, but nothing for men and boys. The Y. W. C. A. charges \$2.00 which is good for three months. The other bureaus charge employers no fee.

**Fee Charged Employees.** The Swedish National Employment Agency charges from 50 cents to \$1.00 and guarantees a position. No charge for married people. Help just as willingly those who have no money. The Swedish American Employment Agency charge women from \$1.00 to \$2.00, men nothing.

The Norwegian National League charges from 25c to \$2.50. People who cannot pay are also helped.

The Y. W. C. A. charges 50 cents if a position is secured.

The other bureaus have no fee.

**Attitude Toward an Efficient State Agency.** All of the superintendents of the bureaus who were asked their attitude toward an efficient state agency expressed themselves as thinking that it would be a very good thing. A number of superintendents thought that a state agency would make no difference at all with the particular kind of work they were doing. Several superintendents think that the one great objection to a state agency is that the state agency will lose the personal human touch which is given to men and women in the smaller partisan or sectarian agencies. They claim that the state will not want to support with salaries enough workers in such an agency to give each case as careful consideration as it deserves and must have for real efficiency. Some who were approached upon this point think that an efficient state agency would tend to drive out of business many unscrupulous agencies which prey upon the ignorant and defenseless.

**Conclusion.** The contents of this brief report upon some of the labor bureaus operating in the city not for profit, will show that in addition to the large number of licensed agencies operating for profit there are a large number of unlicensed agencies as disconnected as are the licensed agencies. The fact that in many of these separate agencies there are often as many positions offered as men seeking positions, but still unemployed men because the men and the positions do not fit together, is a strong argument in favor of some sort of central clearing house for the labor market. The superintendent of



the Salvation Army Industrial Home notes that the organization with which he is connected and the American Salvation Army and the Volunteers of America and the Chicago Christian Industrial League are all doing what is in some respects the very same work. This work he thinks should be under some central supervision, instead of being in the hands of several competing institutions. This argues for some sort of central control for each kind of charitable employment work, so that all effort may produce a maximum result.

### 3. Immigration.

#### REPORT TO THE COMMISSION ON UNEMPLOYMENT

by its

Committee on Immigration.

To the Commission on Unemployment:

Your Committee on Immigration reports as follows:

I. Your committee invited the participation and co-operation of the following persons and associations:

Miss Grace Abbott

Mr. John Fitzpatrick

Mr. James Mullenbach

Mr. Paul Wander

Miss Mary McDowell

Mrs. Raymond Robins

Mr. Victor Olander

Mr. E. H. Sutherland

Gads Hill Settlement, represented by Mrs. Martin

Conference of Jewish Women's Organizations, represented by Miss Julia Felsenthal

Immigrants' Protective League, represented by Miss S. P. Breckenridge

Chicago Federation of Labor, represented by Oscar F. Nelson

Women's Trade Union League, represented by Miss Emma Steghagen

Juvenile Protective League, represented by Mr. Howard Moore

Maxwell Street Settlement, represented by Miss Ernestine Heller

Henry Booth House, represented by Mr. T. W. Allinson

University of Chicago Settlement, represented by Mr. Adolph Petratis and

Mr. E. L. Talbert

Neighborhood House, represented by Mrs. Harriet M. Vandervaat

Chicago Commons, represented by Mr. R. D. Hunter and Mr. Walter Schatz

Young Men's Christian Association (Immigration Department), represented by Mr. Abraham Bowers.

B'nai B'rith Free Employment Agency, represented by Mr. T. Rubevitz and

Mr. O. G. Finkelstein.

All of the above named persons were added to your committee as unofficial members and participated in its deliberations.

II. Your committee, thus enlarged for consultative and working purposes, organized the following sub-committees:

#### Migratory Labor—

Mr. James Mullenbach

Miss Grace Abbott

Mr. Victor Olander.

#### Over-employment and Under-employment—

Mr. E. L. Talbert

Miss Mary McDowell

Mr. Adolph Petratis.

#### Unemployment Among Foreign Women—

Mrs. Raymond Robins

Miss Emma Steghagen.

**Charities—**

Mr. Thomas W. Allinson.

**Population and Immigration Statistics—**

Miss Grace Abbott

Miss S. P. Breckenridge

Mr. Louis F. Post.

III. Reports have been submitted by those sub-committees to your committee which herewith transmits the same to the Commission. They are attached as a part of this report.

IV. Your committee calls attention to the difficulties, as disclosed by these sub-committee reports, of acquiring information bearing upon the subject matter of its inquiry, and the impossibility of securing complete and trustworthy reports, without funds for employing experts to devote their time to the inquiry.

**V. Your committee recommends:**

1—The establishment of a Chicago branch of the Bureau of Information of the Department of Commerce and Labor, as a means of facilitating the intelligent distribution of immigrants.

2—The organization of an effective State employment agency which shall co-operate with other State and national agencies and shall be especially equipped with facilities, through interpreters and otherwise, for dealing with immigrants. Though the primary purpose of these agencies is not within the scope of this committee, they would have a secondary or incidental function of great importance to an intelligent understanding of the subject matter which does come within this committee's scope. A centralized official employment agency at Chicago, well equipped not only for finding jobs for the unemployed but also for recording and reporting the facts which that function would necessitate its ascertaining, would be especially useful.

3—Regular inspection and regulation by the Federal Government of the sanitary conditions, i. e., location, housing and food in labor camps of railroads doing an interstate business. State inspection and regulation of those doing an intra-state business.

4—More opportunities for industrial training for immigrant men and women.

5—Better regulation, and better enforcement of existing regulations, of private lodging houses.

6—More efficient equipment and larger quarters for the Municipal Lodging House.

7—The establishment of a city or State farm to which the so-called "unemployables" may be sent for scientific medical and social treatment.

8—A scientific efficiency study of seasonal trades with a view to determining whether continuous employment of a smaller force throughout the year is not practicable.

9—The establishment of a minimum wage for women workers.

10—Appointment of a State immigration commission to inquire into the welfare, opportunities for employment, and conditions of labor, of immigrants and migratory laborers.

VI. In the getting of material and the preparation of this report your committee has had the co-operation of the voluntary members associated with it as stated above, and it wishes to record its grateful acknowledgments therefor and particularly for the expert service rendered it by the voluntary sub-committees.

LOUIS F. POST, Chairman.

**REPORTS OF THE SUB-COMMITTEES ON MIGRATORY LABOR.**

I. The Municipal Lodging House.....By James Mullenbach

II. "Railroad Gangs".....By Grace Abbott

III. Casual Laborers.....By Victor Olander

## I. THE MUNICIPAL LODGING HOUSE.

By James Mullenbach.

The following statement is based, first, on the information furnished by the Municipal Lodging House consisting of certain tabulated statistics herewith enclosed; and in the second place, on the observation and experience of the writer as superintendent of the Municipal Lodging House for five years.

At the outset it is hardly necessary to explain that the Municipal Lodging House, as its name indicates, is a lodging house maintained by the City for the purpose of providing shelter and care for homeless, unemployed and destitute men and boys stranded in Chicago. It was opened December 21, 1901, by Mayor Carter H. Harrison in co-operation with the City Homes Association in order to provide a humane and effective substitute for the police station lodging of the unemployed. A year later the City assumed full responsibility, and the shelter was transferred to its present quarters, 110 North Union Street, in a building owned by the City.

In using the information from the Municipal Lodging House, it is assumed that the lodgers fairly represent the unemployed and those who follow migratory occupations; that the population of the Municipal Lodging House becomes, as it were, a cross section out of the great group of laborers who are engaged in seasonal and casual employment, involving migration about the country and encountering periods of unemployment, or at least underemployment.

In dealing with the statistics account should be taken of the fact that they are of two classes in Table 1 and Table 2. In Table 1 the statistics from December 21, 1901, to close of 1909 are based on the **number of lodgings given** and not on the number of individual men. In Table 2 the statistics for 1910 to April 30th, 1912, are based on the **number of individual men** to whom lodgings were given. Table No. 2 is, therefore, more accurate than Table No. 1. It should be noticed, however, that the percentages in the various items of classification do not greatly differ, though there are some modifications.

For example, in Table No. 1 we find that 251,438 lodgings (we disregard the figures [11,097] for 1902 as no account was kept of the "First Nighters") were given to 45,951 different men. This was an average of 5.5 lodgings per man. In Table No. 2, 167,716 lodgings were given to 30,888 different men, or an average of 5.4 lodgings per man. While the difference in some of the other items is not so slight. Table No. 2 checks up on Table No. 1 and on the whole confirms it.

Besides these two general tables there are also some special statistics tabulated relating to—

Table 3—Number of Lodgings in Police Stations as compared with Number in Municipal Lodging House.

Table 4—Duration of Lodgers in the City.

Table 5—Special record of 2,608 Lodgers.

Table 6—Special record of 1,317 Lodgers, and how they came into the City.

Table 7—The Physical Condition of 13,053 Lodgers.

Table 8—Civil Status; number married and single.

Since the opening of the Municipal Lodging House at close of December, 1901, to April 30th, 1912, 430,201 lodgings had been given. While this is an astounding number of lodgings it is only about one-fourth the number given in the police stations of Chicago for an equal period of years. From 1892 to 1901—ten years—the total number of lodgings given in the police stations was 1,275,463. These were the ten years preceding the opening of the Municipal Lodging House. During the first ten years of its operation, 1902 to 1911, inclusive, the Lodging House gave 370,655 lodgings. (See Table 3.) Under the Municipal Lodging House system the City was saved the expense and risk of 904,808 police station lodgings. These statistics for the ten-year period are reasonably fair. They cover two panics and business depressions, the first decade that of 1894 and succeeding years, and the second decade that



of 1907-1908. While the later labor depression was not as severe or prolonged as the earlier, it was severe enough for purposes of comparison, and none of us want a repetition for the purpose of equalizing the terms of the comparison.

The total number of individual men ("First Nighters") given lodging for the period from January 1st, 1903, to April 30th, 1912, was 76,839. The year 1902 is not included as information on this point was not taken at that time.

Two questions arise:

1. How many of these men were residents of Chicago, and how many came from other communities?
2. How many of them follow migratory labor?

In regard to the first question Table No. 4 gives duration of time in the City for "lodgings given" in 1903-'04-'05-'06. Of the 52,436 lodgings given, 16,948 or 33 per cent were given to men who had been five days or less in the City; 13,259 or 25 per cent to men who had been from six days to one month in Chicago; 8,494 or 16 per cent to men who had been from one month to six months; 2,566 or 5 per cent to men who had been from six months to one year, and 11,169 or 21 per cent to men who had been in Chicago one year or over. That is to say, 58 per cent of the lodgers had been in the City less than a month. Only 21 per cent had been here long enough to establish a legal residence. As a matter of fact the figures do not tell the whole truth, as many of the men who stated they had been only five days in the City, were accustomed to make Chicago their headquarters from which they were shipped out on the various jobs. It indicates, however, the remarkable mobility of the group.

In Table No. 5 there are some statistics showing the duration of time in the City for 2,608 individual men. These statistics were gathered from May 1st to September 30th, the summer of 1908. In the case of these 2,608 men 1,695 or 65 per cent were less than five days in the City; 256 or 10 per cent less than one month; 261 or 10 per cent from one month to one year; and 396 or 15 per cent had been in Chicago one year or over. These figures, therefore, show an even larger percentage of the out-of-town laborer.

In this connection it is of interest to examine Table No. 5 showing how 1,317 of these 2,608 applicants arrived in Chicago. Six hundred and seventy-four or 51 per cent admitted they "beat it" on the railroads into the City; 463 or 35 per cent claimed they had paid their fare; 77 or 6 per cent walked. Even these, however, may have meant that they walked from Grand Crossing, or Mayfair, or some other railroad center where they had to leave the freight train. Eighty-six or 6 per cent were "passed in" by employers. Seventeen or 1 per cent came by boat.

Meager as these statistics are they undoubtedly indicate the way in which the migratory laborer and the unemployed man gets about the country. The "tramp" as a pedestrian is no longer known. Only the mentally defective vagrant, or the foreigner, ignorant of the advantages of our country, now tramps his way. The others travel in a "side door Pullman" or on the blind baggage, when they have not the fare to ride inside. In those cases where the men remain until the job is finished, or for a stated period, usually the season, the employer will provide fare back to the starting point.

In regard to the second question: how many of the lodgers belong to the migratory labor group, we have no statistics at hand. The writer is prepared to state that at least 60 per cent of the lodgers follow what is known as seasonal employment requiring migration about the country.

Unless one has had opportunity to observe the conditions, it is difficult to appreciate the great significance of seasonal employment both in its extent and variety, and its effect upon the worker and the community.

In the household order of industry, there were practically only two nomadic callings, that of the soldier and that of the sailor. At the present time we have a great number of occupations that involve the movement of the workers to the locations and into the employment that the season demands or permits. All construction work on railroads and factory plants, wheat harvesting, logging, ice cutting, river and dock work, fruit picking, hop picking, oyster dredging, are a few of these seasonal occupations.

Construction work, railroad and otherwise, opens in the spring as soon as the risk of frost is gone. The men are shipped out usually through labor agents to the job which may be on the outskirts of Chicago or on the outskirts of Cheyenne. Construction work will continue all summer until cold weather in the fall. However, toward the end of June the wheat harvest in Oklahoma and Kansas begins and many of the men in the construction work leave for the harvest and continue with it all the way up through Kansas, Nebraska, the Dakotas and even into Canada. About October they begin to return, going to Duluth, Minneapolis and other cities to ship out into lumber woods, or continuing farther south to Milwaukee, Chicago, St. Louis and other cities east and south.

In Chicago these laborers do odd jobs and pick up a precarious livelihood until the ice camps open. If it is a mild season the ice cutting may be much delayed and shortened. In most cases it does not last over five or six weeks. The sag between the harvest, or the closing of construction work, and the opening of the ice cutting is the longest and most discouraging of the year.

Coming now to the general tables showing more particularly the facts about these unemployed and migratory workers, we find that so far as *nativity* is concerned, 53.5 per cent are American born and 46.5 per cent are foreign born.—Table No. 2. In Table No. 1 the proportions are reversed. The American born are 45 per cent and the foreign born 55 per cent. The increase in the proportion of foreign born is found to be in the years 1907-1908-1909, the years of the panic and depression. During our industrial storm the American laborer, especially the boys and younger men, goes home to his folks, while the foreigner, after a period of unemployment has exhausted his savings and his credit with the boarding boss and is forced upon public relief. The panic of 1907-1908 brought the Slavs to the Municipal Lodging House in unprecedented numbers. The following spring many of them went into construction work and have remained in migratory callings since that time instead of finding their way back to factory employment.

As to ages of 38,256 lodgers—1910 to 1912:

1,109	or 3 per cent	were over 60 years of age.
15,211	or 40 per cent	were between 20-30 years of age.
10,450	or 27 per cent	were between 30-40 years of age.
6,411	or 17 per cent	were between 40-50 years of age.
3,174	or 8 per cent	were between 50-60 years of age.
1,901	or 5 per cent	were under 20 years of age.

These figures on ages indicate that 44 per cent or nearly one-half of the lodgers are under 30 years of age. The significance of this movement of young life in its adventurous years is not sufficiently understood. Many factors enter into it. It is bound up with the most significant event of the nineteenth century, namely the closing of the western frontier. So long as the country possessed a frontier, there was a national outlet for the surplus energy of the try its forces with the world of men or nature, to seek its fortune under new people. There was always opportunity for the adventurous spirit, eager to conditions, unhampered by the restraint and convention of the settled community. For twenty centuries the history of civilization has been the history of the Western frontier, but within our own day the frontier has passed and our civilization has suddenly awakened to the fact that it must be built on its own resources, but that those resources are not inexhaustible. Meanwhile, the youth of the country, the heirs of this age-long movement, with the urge of it still in their blood, will not live on quietly in a prairie hamlet. They, too, want to get out and see the world and take their chances as their fathers did.

Apart from the search for employment there is this other factor of youthful restlessness, the Wanderlust, lying deep in our common life and finding expression in these nomadic expeditions of the country and city youth in search of excitement and incidentally for employment. Instead, however, of making for the frontier they now go to the city as the place of opportunity. The frontier is no longer in the front—it is in the rear. When once the signifi-



cance of the closing of the frontier is appreciated the proportion of young men who follow these nomadic callings will be properly appreciated.

Taking up the next classification, we find that the figures show that of 38,266 lodgers 11,543 or 40 per cent were skilled, while 26,723 or 60 per cent were unskilled. These figures need qualification. In the 11,543 are included not only the craftsman who is still following his trade, the temporarily out of work, but also the craftsman who because of changes in industry has taken up unskilled work and drifted into the migratory group. Some of these changes tending to throw skilled mechanics among the unskilled workers are well known; the existence of the rush and dull seasons, the introduction and development of machine and automatic processes in manufacturing, and the consolidation of industries. When a trade is disintegrated, or men are thrown out of work through the consolidation of business, craftsmen are very apt to become permanently members of the unskilled group. Disintegration has in late years taken place among the tanners and machinists and is in process among the glass blowers. When once a skilled workman has gone over into the unskilled group it is very difficult for him to get back, especially where he is unmarried and once loses footing in his own community.

On the next item we find that during the last three years 4,621 men went out from the Municipal Lodging House to paid employment. This is about 12 per cent of the total number of individual men who stopped at the lodging house. While this statement is encouraging it needs some explanation. In the first place it was not possible to keep an adequate check on the men who went out to the job so that the Municipal Lodging House management knew certainly that the men had gotten employment. In the next place, most of the opportunities for employment that come to the Municipal Lodging House are temporary in their nature. As a matter of fact it has been found by experience that the migratory laborer, while he may accept, will not permanently continue in steady work at one place. One would suppose that when offered permanent employment he would be glad to get it and stick. As a matter of fact, the migratory laborer is a victim of his economic training. He has been trained to work a few weeks or months on the railroad here and there, a few other weeks in the harvest field, then to do odd jobs around town until he gets into the ice camp for a few more weeks. The consequence is that this training in casual and unsteady employment has unfitted him for regular and permanent work. He is as restless in permanent occupation as the steady mechanic would be in becoming accustomed to the casual employment of a migratory laborer.

In respect of physical capacity of lodgers, a table is submitted showing the record of physical examinations of 13,053 men. This report shows that about 85 per cent of the men were found to be able-bodied; that about 7 per cent were physically deficient; that 2 per cent were sick so as to need hospital or dispensary treatment, and that about 5 per cent were crippled. Nearly 14 per cent had affections of the skin and scalp. This is a significant item as it indicates the unsanitary condition under which these men live both in the private lodging houses of the city and the labor camps. Where men are lodged promiscuously as they are in the common lodging houses and in labor camps and colonies, it is only by the greatest effort that the lodging house or camp can be kept free of vermin.

Another significant item is that of venereal diseases, which shows that about 5 per cent of the men had recognizable infection. In a separate table statistics are given for four years showing the proportion of married and single men to whom lodgings were given. In that statement it appears that 90 per cent of the men are single and about 10 per cent married. These statistics are also borne out by the special tables giving the records of 2,608 men where the same proportions hold. It is not necessary to dwell upon the obvious consequences to a group of individuals and to the community where great numbers of men are unmarried. In a certain way this is the most significant fact attaching to this entire group of men, namely: that they are homeless; that is, have no domestic relation of responsibility. The conditions of their employment, its migratory and irregular character, put a premium upon homelessness; but it also brings about serious consequences



for the individual and the community. It should be understood that the great majority of these men are separate from all the responsible and refining influences of the ordinary sociotarian relations. They never meet women in any wholesome way. They seldom sit at a table in a private home. They usually eat at the cheap restaurant or the free lunch counter in saloons. Undoubtedly the earnings of this company of men is one of the economic sources of the red light region of every large city.

Likewise, men with circulatory disabilities, numbering nearly 13 per cent, which indicates a very large proportion of those who have arterio sclerosis.

The figures on tuberculosis, being .8 per cent of the lodgers, was determined by a stethoscopic and not microscopic examination.

For the amelioration of the present condition the following suggestions are offered:

First: The quarters at the Municipal Lodging House should be enlarged and the equipment made more efficient. Enough help should be supplied to adequately deal with the situation. There should be medical examination of every lodger. The food should be sufficient to enable a man to do a day's work upon it. It should go beyond the stage of coffee and bread and come nearer what it was during the winter of 1907 and 1908.

Second: State free employment agencies should be reorganized in such a way as to deal with the problem of the unemployed effectively. Those agencies ought to be strengthened and expanded. If, as has been suggested already by the Commission, they should be placed under a central bureau, a state industrial commission similar to the one in Wisconsin, it would undoubtedly be an improvement upon the present arrangement. Between the Municipal Lodging House and an efficient state free employment office there ought to be thorough co-operation.

Third: There should be state inspection of all labor camps and colonies. If it should be found that state inspection of labor camps is not constitutional then it should be done by the Federal Government in those cases where the employment is of interstate character. This inspection should regulate the location of the camp, sleeping space, sanitary arrangements and condition of food.

Fourth: There should be more adequate legislation and more effective enforcement of regulations for the control of the private lodging house than is now in practice. The conditions under which men sleep today in the private lodging houses of Chicago are a direct inducement to drunkenness. No one may sleep in the vermin infested, badly ventilated, fetid air of a cheap lodging house without feeling the necessity of throwing a couple of braces under his belt in the morning to feel right for the day's work.

Fifth: There should be federal control of all labor agencies furnishing interstate labor. At present men are shipped out to jobs where there is no work. If it lies outside of the state great difficulty will be found to prove the case, as an Illinois judge cannot subpoena witnesses outside of Illinois, and the case usually goes by default.

While state regulation of private employment agencies needs to be carried on vigorously, the real cure lies in the positive work that will be done by the state agency.

The most effective measure for remedying the condition under which this group lives and works would be the organization of the workers. There are three obstacles that stand in the way of creating a common consciousness among migratory laborers. In the first place, the haphazard, irregular, nomadic character of the employment does not permit of the formation of acquaintanceship, confidence and mutual trust necessary to such an organization. In the second place, the group is constantly under the pressure of old-world immigration; and, finally, the migratory labor group is also at a distinct disadvantage in that it is the resort of the displaced laborers, both skilled and unskilled, who followed more permanent occupations.

In the face of these three obstacles it is difficult to see how the workers may be organized for their own defense and betterment. Apparently, they can only be saved from exploitation by the active intercession of other portions of the community.

TABLE 1.

	Lodgers	First Nighters	Americans	Foreigners	Under 20 Years of Age	20 to 30 Years of Age	30 to 40 Years of Age	40 to 50 Years of Age	50 to 60 Years of Age	Over 60 Years of Age	Skilled Laborers	Unskilled Laborers	Paid Employment	Cripples	County Agent	County Hospital	Bureau of Charities	Dispensaries	Arrested	Vaccinations	Meals	Previous to May 1st	Rejected
1901 and 1902	11,007	.....	6,319	4,778	923	2,971	3,047	2,111	1,348	697	3,596	7,501	2,441	137	122	141	156	148	...	1,746	18,818	0	160
1903	5,642	2,549	2,146	3,496	1,288	4,438	4,677	3,371	2,066	1,032	6,389	12,533	1,704	288	67	55	51	123	...	606	11,284	188	158
1904	18,972	6,569	10,548	8,324	3,324	7,437	7,537	2,745	1,757	770	4,634	9,601	3,782	566	150	193	93	693	31	477	37,744	784	54
1905	13,293	4,903	8,390	6,711	1,083	3,473	3,573	2,745	1,757	770	4,634	9,601	3,782	566	150	193	93	693	31	477	37,744	784	54
1906	13,593	4,157	6,862	6,614	1,083	3,473	3,573	2,745	1,757	770	4,634	9,601	3,782	566	150	193	93	693	31	477	37,744	784	54
1907	23,642	6,158	11,732	11,910	1,511	7,205	5,933	2,754	1,836	1,011	5,600	11,763	4,588	808	218	116	37	1,598	36	223	47,284	17,281	38
1908	105,564	12,422	44,000	60,955	4,911	34,685	26,733	20,298	13,992	4,945	47,389	65,175	8,219	2,473	312	240	56	3,648	70	965	17,281	334	
1909	69,980	9,656	27,396	42,584	3,734	21,244	16,408	14,506	10,200	3,848	25,432	44,548	5,162	2,596	190	163	19	3,740	32	182	142,691	18,565	988
Total	262,535	45,951	116,606	145,929	14,531	80,672	63,580	50,430	34,298	13,352	94,909	161,984	39,445	8,006	1,533	1,001	510	9,072	210	4,787	312,534	43,809	1,773
			45%	55%	6%	31%	24%	20%	14%	5%	40%	60%	11%	3%	.6%	.4%	.2%	4%	.1%	2%			17%

TABLE 2.

	Lodgers	First Nighters	Americans	Foreigners	Under 20 Years of Age	20 to 30 Years of Age	30 to 40 Years of Age	40 to 50 Years of Age	50 to 60 Years of Age	Over 60 Years of Age	Skilled Laborers	Unskilled Laborers	Paid Employment	Cripples	County Agent	County Hospital	Charitable Societies	Dispensaries	Arrested	Vaccinations	Meals	Old-timers not previously registered in 1910-11-12	Rejected
1910	36,710	10,298	6,346	5,758	648	4,886	3,281	2,110	1,003	376	4,015	8,089	1,727	193	350	263	223	441	33	0	73,429	1,806	740
1911	71,410	14,404	9,065	8,000	918	6,805	4,667	2,720	1,369	486	4,870	12,195	1,457	187	472	180	277	572	121	112	142,820	2,601	947
1912	59,596	6,276	4,800	4,297	335	3,630	2,502	1,571	1,802	257	2,658	6,439	1,437	134	104	48	124	973	75	0	118,871	2,821	574
Total	167,716	30,888	20,211	18,055	1,901	15,211	10,450	6,411	3,174	1,119	11,543	26,723	4,621	512	926	491	624	1,986	229	112	335,111	7,378	2,261
			53.5%	46.5%	4%	40%	20%	16%	8%	3%	40%	60%	12%	1%	2.5%	1%	1%	5%	.9%	.3%			16%

TABLE 3.

Number of Lodgings Given in Police Stations During Ten Years Preceding the Opening of the Municipal Lodging House.			Number of Lodgings Given in the Municipal Lodging House During the Past Ten Years.		
1.....	1892	77,085	1.....	1902	11,097
2.....	1893	88,138	2.....	1903	5,642
3.....	1894	133,006	3.....	1904	18,872
4.....	1895	130,481	4.....	1905	14,235
5.....	1896	176,980	5.....	1906	13,503
6.....	1897	204,964	6.....	1907	23,642
7.....	1898	139,579	7.....	1908	105,564
8.....	1899	113,942	8.....	1909	69,980
9.....	1900	118,697	9.....	1910	36,710
10.....	1901	92,591	10.....	1911	71,410
Total . . . . .	1,275,463		Total . . . . .	370,655	

TABLE 4.

## DURATION IN THE CITY.

	1903	1904	1905	1906	Total
5 days and less in city.....	2,362	5,048	4,106	5,432	16,948 or 33%
6 days to 1 month.....	1,302	5,377	3,848	2,732	13,259 or 25%
6 months and over 1 month.....	843	3,376	2,712	1,563	8,494 or 16%
1 year and over 6 months.....	374	850	611	731	2,566 or 5%
All over 1 year.....	945	4,221	2,958	3,045	11,169 or 21%
	5,826	18,872	14,235	13,503	52,436

TABLE 5.

## Some Statistics of 2,608 Individual Applicants at the Chicago Municipal Lodging House, May 1 to September 30, 1908.

CIVIL STATUS.		DURATION IN THE CITY.	
Single.....	2,430—90% nearly	Less than 5 days.....	1,695—65%
Married.....	178—10%	5 days—1 month.....	256—10%
	2,608	1 month—1 year.....	261—10%
		1 year and over.....	396—15%
			2,608
NATIONALITY.		OCCUPATION.	
American .....	1,309—50%	Skilled .....	1,510—58%
British .....	164—6%	Unskilled .....	1,098—42%
Irish .....	163—6%		2,608
German .....	363—14%	Crippled . . . . .	43 or 1.5%
Scandinavian .....	110—4%		
Slavic .....	344—13%		
Other .....	155—6%		
	2,608		
Less than 1 year in U. S..	195—7.5%		
AGE.			
16-20 years .....	256—9%		
20-30 years .....	1,200—50%		
30-40 years .....	594—22%		
40-50 years .....	325—12%		
50-60 years .....	144—5%		
60 and over.....	89—3%		
	2,608		

TABLE 6.

## TRANSPORTATION.

## How 1317 Applicants Arrived in Chicago.

674 or 51%	admitted they "beat it" on the railroads.
463 or 35%	claimed they had paid their fare.
77 or 6%	walked.
86 or 6%	were "passed in" by employers.
17 or 1%	arrived by boat.



TABLE 7.

**Report on Physical Condition of 13,053 Lodgers.  
October 4, 1904, to December 31, 1906.**

<b>General Physical Condition—</b>		
Able-bodied .....	11,369	84.8 %
Physically deficient .....	809	7.24 %
Mentally deficient .....	29	.20 %
Sick .....	234	2.17 %
Crippled .....	612	5.38 %
<b>Total .....</b>	<b>13,053</b>	
Eyes .....	216	1.79 %
Ears .....	181	1.75 %
Skin and Scalp .....	1,866	13.70 %
<b>Venereal—</b>		
Chancere .....	69	.53 %
Gonorrhoea .....	246	1.90 %
Syphilis .....	373	2.69 %
Hernia .....	483	4.55 %
Circulatory .....	1,521	12.81 %
Respiratory .....	151	2.43 %
Tuberculosis .....	109	.82 %
Fevers .....	6	.05 %

TABLE 8.

## CIVIL STATUS.

	1903	1904	1905	1906
Married .....	839	1,866	1,037	579
Single .....	4,987	17,006	13,198	12,924

## II. "RAILROAD GANGS."

By Grace Abbott.

Of the unskilled men who are unemployed during the winter those who work on the railroads of the country—grading the road bed, laying ties and rails, ballasting with gravel and crushed stone, ditching and doing general track work—constitute the largest single element. Questions prepared by the Committee were therefore formulated and submitted to the officers of some of the principal railroads which enter Chicago. Their replies were supplemented by the report of Mr. Paul Wander, a research student at the University of Chicago, who visited and reported on some of the largest camps between Chicago and Wyoming, and by the records of the Immigrants' Protective League.

The railroads estimated that about one-third of the men employed for this work are "hoboes"—the Irish, English and American survivals of the time when all of this work was done by English speaking immigrants or native Americans. The others are "foreigners"—Italians, Poles, Greeks, Bulgarians, Croatians, Russians and others from southern and eastern Europe. The "hoboes" are not only old hands at this work, but they are familiar with the ugliest aspects of American life in every city in the country. Most of the "foreigners," on the other hand, are having their first experience in industrial life in America, are ignorant of English, of the extent of the country, and of how a man may "beat his way" from place to place and avoid arrest.

Construction work lasts from six to eight months, beginning as soon as the weather permits, in March or April, and lasting until the work is finished or until the cold weather brings it to a close, in November or December.

The number of men required for this work is difficult to determine. Eight railroads, in answer to this question, replied that they tried to keep 11,414 men at work during the season. The number of men shipped is, however, very much greater. One of the railroads, whose gangs required 4,593 men, estimates that twelve or fifteen times that number had to be sent out; another railroad reports twenty men sent out for every job; another 10; one writes that it is impossible to say, because "men were shipped out constantly

from Chicago." The total number of shipments must therefore reach several hundred thousand—how many men are involved the railroad records do not show. About 75 per cent of the number, whatever it is, are secured from the Chicago labor market and return to Chicago for the winter. The other 25 per cent come from St. Louis, Kansas City, Omaha and other smaller centers.

A man who works only a part of the year, but earns during that time sufficient to keep himself and his family during the idle period, does not constitute a part of the acute unemployment problem with which the Commission is concerned. The question then is whether this group of men which, joining with the returned harvest hand, the unskilled of the building trades, and all the others whose work ends with the beginning of winter, can secure employment during the winter months or, failing in this, whether they can live on what they have saved during the summer season. The possibilities of employment are odd jobs during the holiday season, a short season usually not beginning until after the first of January, in the ice fields, the lumber camps of the north, construction work on the southern railroads and a few days at shoveling snow. These opportunities are far too few when measured by the number who are in need of employment, and so the next question is whether the savings of the men are adequate for the winter season, and if not, whether this is due to low wages, bad habits, the high cost of board, or unnecessary expenditures connected with securing the work.

The wages of the "hoboes" and "foreigners" are usually the same, during the past season from \$1.80 to \$2.00 a day, two years ago \$1.25 to \$1.60 a day. In every other respect the two groups are so different that they must be considered separately.

The "hoboes," or "white" laborers, as the men are sometimes called, very often ship out with no intention of going to work. The payment of an employment agency fee gets him much more comfortably and safely to Minneapolis, Billings, Denver or even California, than "beating his way." Those who go to work at the place to which they were shipped usually stay only ten or fourteen days. They sleep in the freight-car bunks which the railroad provides free of charge, pay a Commissary Company \$4.00 or \$5.00 a week for wretched board and four or five prices for tobacco, gloves, shirts and other supplies. Liquor is also sometimes sold in the camp for exorbitant prices. Bad as the food, the sleeping quarters and the wages are, these are no longer the reason why the "hoboes" drift from camp to camp, back to the city, out to the harvest field for a few days, on to the road again and finally back to the city in November with about \$30.00 in money. Here they frequent the five and ten-cent lodging houses, the "barrel shops" on West Madison or South State streets, and are hungry, cold and wretched during January, February and March. The "hobo" is physically and morally what his work and living conditions have made him. Demoralizing as any kind of temporary work is, this construction work at a distance from cities or towns is much worse than that which comes with the rush season in city factories and shops. Their freight-car bunks are usually unspeakably dirty, the food is wretched, the work is hard and the hours long. Separated from their families and from society generally, without normal wholesome recreations, the men are the easy victims of vice. And so many of the Irish, American and English laborers of a generation ago, forced by the necessities of our industrial system into being homeless workmen, employed for six or eight months a year, have become diseased and helpless, incapable of the self-control which is necessary for regular employment. Whether any have passed from the class permanently of "under employed," as casual laborers are often called, into the class of "unemployables," the city has made no effort to discover. Improved conditions in the camps, better wages in the summer, or jobs in the winter, will not meet the present needs of many of these men. For them the city should have, co-operating with the Municipal Lodging House, a farm, where they could be sent to receive skilled medical and social treatment.

With the "foreigners" the case is quite different. The testimony of all the railroads consulted is that unless the whole gang leaves because they do



not like the work or the camp, or for some cause which, according to the railroad, "cannot be ascertained," they stay until the work is over or the season closes. There is little of the restless, irresponsible drifting back and forth, which characterizes the hobo group.

These men secure their work through private employment agents, each road usually depending upon some one agency to supply its gangs. These agents charge fees varying with the season and with the amount of work that is being done. In the early spring, when all the men are eager to get out, the fee is as high as ten, fifteen or even twenty dollars. In the summer, when gangs are hard to fill, free shipments are common. Division of fees with the railroad bosses or employment superintendents, although contrary to law, is undoubtedly often demanded.

The agent also has to pay grocers, steamship agents and bankers who supply him with gangs of men. Misrepresentation on the part of the agent is common, although the law provides that an explicit contract in a language he understands shall be issued every man shipped. One gang with which an investigator was sent out spent the time during the railroad journey in speculation as to what the work was going to be—some thought they were bound for the mines, others for a lumber camp, and still others for railroad work. Sometimes the misrepresentations relate to the wages, the kind of bunks, the food, or the particular kind of railroad work that is to be done.

The foreigner usually refuses to board with a commissary company. The employment agent or the grocer with whom he has an understanding furnishes the food, usually overcharging for it. Each man prepares his own or sometimes a group of "messes" together. If this arrangement for boarding themselves is interfered with, it is sure to send the gang back to Chicago in search of another job.

The sleeping accommodations sometimes are the cause of desertions from the camp. Gangs leave because the bunks are not clean, because the cars leak, or because the camp is placed in an unsanitary location. The camps where shacks or tents are provided, such as those maintained by the Sanitary Board during the building of the Drainage Canal and those maintained by the United States government in building the irrigation ditches, are popular with the men, and there is in consequence comparatively little shifting. In some of these there is an approach to normal family life—the men's wives are with them and provision is made for housekeeping and gardening. If work is near the city and the men are taken to and from their work daily, there is also no difficulty in keeping the gang full.

When cold weather comes and the camps all over the north and west are closed, all those who have been at work for any length of time are passed back to Chicago or the city from which they come. The foreigners return much better off than the hoboes. They have earned more, spent some less for better food and much less for liquor. For some of them the money they bring back, supplemented by occasional odd jobs, may last until spring unless the winter is severe. Some of them invest their savings in some small business enterprise—a fruit stand, a shoe-shine parlor, or a peddler's wagon. A good many are ambitious to find regular work for the year and hope that they have spent their last summer on the road. But regular employment is extremely difficult to find at this season, and so spring finds them making their payments to ship out. On others the life has already had its effect and they are beginning to find the summer journey into the west and the long idleness of the winter, in spite of the privations and hardships, preferable to the monotony of factory work.

The immigrant is at no time so much in need of disinterested advice and assistance as when he first offers himself in the labor market. That he should receive the prevailing rate of wages, should work under decent conditions, and should not be sent out to jobs which do not exist, is of first importance to the American laborer as well as the immigrant. At present he is at the mercy of private employment agents, who find his helplessness a great temptation or a great opportunity. The organization of really efficient and intelligently managed labor exchanges is the only way out of this situation. It would result not only in the saving of fees, but would also mean reliable



information about the job, and intelligent study of employment opportunities to see if continuous work is not possible, and better adjustment of the man to the job. The beginning of such a system of labor exchanges already exists. The Bureau of Information in the United States Immigration Department is intended to assist in the intelligent distribution of immigrants. Although this bureau was created in 1907, no offices have been established west of the Atlantic coast, and so the national possibilities of the plan have never been tested. For even an adequate approach to the problem we are considering this bureau must develop into a central clearing house for native as well as immigrant laborers. For Chicago's problem the first step is the establishment of a branch office in Chicago.

The Illinois employment offices are poorly organized and so have never had the support or interest of the general public. Their reorganization is necessary for a knowledge of the Illinois market.

The railroads are divided in their attitude toward public labor exchanges. Three of those who replied to the questions submitted were of the opinion that a central state agency, if efficiently conducted, would greatly improve the situation. One thought it would not be effective unless all idle men could be compelled to register, another that it would be successful if conducted so as to gain the confidence of the men, another it would fail because it would reach only the "hoboes" and not the foreigners. One thinks the agency would "have to be able to control all migratory labor," and another thinks the success would depend on whether the agency were managed by "practical men or by political organizations and labor agents." If a central exchange were under the direction of a man of social intelligence and executive ability who would secure the co-operation of the employing public there is little doubt that the situation would be greatly improved.

Construction and general repair work must be done and it must of necessity be seasonal. Chicago has therefore a very definite problem to face. It is substantially a question of how far winter employment can be secured, how the savings of the men can be increased, and how those who are just entering this group of workers can be protected against those demoralizing influences which have made so many of their predecessors "unemployables." For accomplishing this the following recommendations are made:

1. Establishment of a Chicago office of the United States Bureau of Information.
2. Reorganization under a central office, and intelligent management of the state free employment offices.
3. Inspection of camps by the State Board of Health and by the Federal Government. Sanitary conditions are extremely important, not alone to protect the men, but because upon their return to the city the entire city population may be infected.
4. Provision for educational and social life in the camps. A traveling school house, which would be a school where English is taught to foreigners a few nights in the week and a real social center the rest of the time, should be provided. Such a school would serve to keep the camp free from the moral diseases, which, more than the physical, have been the cause of the ruin of the men.
5. Regulation of prices charged by the Commissary Companies and foreign grocers who supply the camps.
6. Scientific treatment in a farm colony for the "hoboes" who are no longer fit for regular work.
7. Better wages and the encouragement by the railroads of regular work, so that employment will be as nearly regular as possible.

GRACE ABBOTT.

### III. CASUAL LABORERS.

By Victor Olander.

The migratory labor herein referred to is that of various employments where the work is largely unskilled and seasonal, limited to brief periods, casual, and shifting from one locality to another, in and out of the large industrial centers, and including practically all cases where large numbers of workers are required outside of the towns and cities.

Every large city is a kind of storage place for this class of labor, and a distributing point from which the workers go or are sent to various places throughout the country, and to which they return when the work for which they were hired is completed. The great class of migratory laborers thus form a very vital part of the problem of unemployment in every city, and particularly so in Chicago, on account of its central location. The cities feel their presence most acutely during the winter months, when outdoor construction work, farm labor, road building and similar employments are at a standstill.

Owing to the utterly disorganized condition of these workers—socially, politically and industrially—they are comparatively easy victims to any who desire to prey upon them, and they suffer accordingly. Not being a permanent part of any community, they are regarded as aliens everywhere.

While at all times many thousands are unemployed in one part of the country, in another section there may be and often is a scarcity of such laborers. If a system could be established whereby they could be kept properly distributed, the problem of unemployment in Chicago would not be so great as it is under the present circumstances.

The system of private employment agencies through which this class of labor is largely distributed is vicious in the extreme. However, it seems unnecessary to take up space here in pointing out the unfair practices of the employment sharks and the methods they use in victimizing the laborers. They have been exposed often and should be put out of business. Nothing can be done through them to remedy the problems confronting the migratory laborer.

The public or state employment agencies, even though established on a large scale, would be of little more service than are the private agencies, except, perhaps, that state agencies might bring about easier distribution (not better distribution) of the class of labor herein referred to, and that the workers would not be subjected to quite so much graft as under present conditions.

The business of any system of employment agencies, whether state or private, is solely to furnish laborers to employers. Thus, such agencies, no matter how honestly operated, have no concern about the wages, working hours, or other conditions under which the labor is to be performed. The state agency system, therefore, would be of little service in helping the workers to keep themselves properly distributed, and of no use at all, nay, even detrimental, in the work of securing any real improvement.

There is, however, a well-proven system whereby the problem of this class of labor can be largely solved, and the unemployment evil in the large industrial centers, Chicago particularly, can be materially lessened. It involves the establishment of a series of information bureaus, under the control of the workers themselves, whose business it would be to gather and receive information regarding the conditions of employment throughout the country, such as the number of workers needed in various localities, the number of men responding, the wages, hours of labor and working conditions generally.

Information thus received would be regarded as entirely trustworthy by the workers, and they would soon learn where the best opportunities existed during given periods, and as a result would voluntarily distribute themselves accordingly. They would also, as a most natural and necessary consequence, use their control over such information offices to secure better wages, shorter hours of labor and improved living and working conditions.



The result would be beneficial to the cities, which would be largely relieved of the present burden of unemployed workers of this class. It would make better citizens of the workers themselves, and thus benefit both the state and the nation.

The method I advocate is not very popular with employers, but it is a practical method and will bring some real results.

No class of workers move about over larger areas than do seamen. The offices of the Seamen's Union on the Great Lakes and on the seaboard are all information bureaus on the subject of employment at the various ports. Once each week reports are exchanged between all union offices, giving general information as to the number of idle men in each port and the opportunities for securing employment. As a result of this constant source of information, which they know is reliable, the men keep themselves evenly distributed at all times. When any number of men are needed suddenly and are not obtainable locally they are sent by the union from the nearest port where they can be obtained. On one occasion about four hundred sailors were needed at Duluth suddenly. A large fleet of idle vessels had been ordered into commission quickly. Within thirty-six hours after the Chicago office of the union had been notified a sufficient number of men were on their way to Duluth. The transportation of about three hundred of these was advanced by the union, others paying their own way. The employers reimbursed the union for transportation given men who reported for work after arrival. In other cases, where men changed their opinions about going to work after accepting transportation, the settlement was between the member and the union.

Practically every labor organization of any note maintains a system of information similar to that described herein, and a number pay traveling and unemployed benefits.

The migratory and casual laborers will remain in their present deplorable condition, victims of irresponsible graft and greed, a burden upon the cities, and difficult for other portions of the country to obtain when needed, until they are given an opportunity to help themselves. In this they must be encouraged. No other real help can be given them. In the interest of the citizens of Chicago, I believe the Commission on Unemployment should call public attention to this fact. Such action on the part of the Commission would, of course, be a departure from the established course usually pursued by even the best intentioned municipal investigating bodies. Generally the remedies advocated are more poor houses, soup kitchens, attempts at regulating the present evil employment agency system or, occasionally, suggesting that public work of various kinds be started for the purpose of giving employment to some of the idle workers. All of which is very charitable, to be sure, and is so regarded by those whom it is assumed will be benefited. But it only aggravates the situation, induces larger numbers to congregate in the large cities, and will, I believe, ultimately result in making conditions much worse instead of better.

The real remedy can only be applied by the workers themselves, but the Commission on Unemployment can, if it chooses, help to point the way. If the suggestion I offer, that of encouraging this class of labor in the essentially necessary duty of self-help, will, in the judgment of the Commission, serve to make conditions better, then it ought to say so plainly and emphatically. If, on the other hand, it arrives at any other conclusion, which would, in my opinion, mean that it believes this enormous number of American workmen unfitted to take care of themselves, incapable of even participating in the attempts at a solution of the problems confronting them, then the Commission ought not to hesitate to announce its opinion of these people. In event of the latter conclusion being arrived at, it would seem to me entirely fitting that the Commission should recommend more municipal lodging houses, larger county institutions for the poor, increased public charities of various kinds, an extension of the free public employment bureaus, and other means whereby the workers will be persuaded that the practice of self-help and the rendering of mutual aid among their own class is an unnecessary virtue.



But I believe it would be much better to consider these laborers as citizens, who have duties to perform to themselves and to their fellows, rather than to view them merely as workers who have only to accept jobs from employers or charity from public or private institutions. And in this I am sure you, as one member of the Commission, will agree with me.

V. A. OLANDER.

## REPORT OF THE SUB-COMMITTEE ON OVER-EMPLOYMENT AND UNDER-EMPLOYMENT.

By Mary McDowell, Adolph Petratis, E. L. Talbert.

The sub-committee on the relation of immigrant labor to unemployment desires to submit the following statement:

A series of questions has been sent to social settlements and other welfare institutions for the purpose of finding out the extent of casual labor among immigrant men and women, both in domestic service and odd jobs and in stores and factories. Another questionnaire has also been sent to representative manufacturing establishments, both large and small.

We have some interesting statements from those engaged in social service agencies as to the causes, extent and prevention of unemployment of foreign people, but the data are largely inexact, representing the impression of those busy with many activities in specific localities.

From the manufacturers the returns have been disappointing, partly because the employers do not record the needed information, partly because they have not time to delegate one of their employees to go over the books.

We wish to outline some of the suggestions offered by the respondents to the questionnaire sent to social welfare agencies. One of the questions asked was: "Will you suggest remedies for the conditions due to casual labor of immigrant men and women? Do the slack seasons of some industries occur when other industries are working full time? Could the workers be shifted from one plant to another, thus guaranteeing steady work for some?"

1. A number of answers may be grouped under the general heading, "Education." It was suggested that provision be made to train women in house-work and needle-work, since it was agreed that immigrant women were often inefficient and unsteady. The same thing is true of the men. Several respondents urged that men be better trained industrially that they may fit into several industries and be able to shift from one to another. How this training of unskilled immigrants during idle periods is to be done, and who is to do it, was not offered. It was contended that insecurity and low wages were often due to the ignorance of the men in regard to our language and customs, and consequently, that competent advice in regard to the best places available should be provided.

In addition to the need of educating workers, it was said that employers themselves do not appreciate their responsibilities and often do not know the hardships borne by their employees. One person thought that the employer should engage a leader of each nationality, whose business should be to advise and understand his countrymen and cultivate a spirit of co-operation and sympathy instead of the prevailing indifference and even hostility of the employee to the interests of the employer.

2. A second line of answers referred to the necessity of standardizing wages and hours of work. Hotel and office-cleaning work for women is somewhat standardized, but the estimates of wages and hours of women who do odd jobs show that this is not true. The women have as a rule no guarantee of uniform hours and the wages vary from 75 cents to \$2.00 per day. The number of hours employed fluctuates greatly. Several persons said that eight hours a day and five days per week ought to be the maximum for a woman.

Similar conditions prevail in regard to men who do odd jobs, though the information advanced was indefinite. Wages of unskilled immigrant men,

it was estimated, ranged from \$8.00 to \$11.00 per week, with frequent periods of idleness.

3. In order to meet this situation, several persons urged the need, and also the difficulty, of organizing the labor force, both of men and women. Others thought that employers, if they wanted to, could manage to pay higher wages and guarantee steadier work.

As regards seasonal work, the suggestion was made that by an understanding and union among employers, work in individual plants could be steadied, and men could be shifted from one plant to another in some lines of work. Selling at lower prices during the slack season was also noted as a means to stimulate business. Many industries shut down in the winter months instead of in the busy summer, according to many answers, and it was judged that in some cases this could be changed by employers.

This query was offered: Is it possible for the city to employ men in street cleaning, construction work, etc., during the slack seasons?

4. A final group of questions related to the province of the state and the municipality as regards the control of unemployment.

There was first the indefinite statement that state legislation could do something to standardize wages and dovetail the seasons of unskilled immigrant labor in the various industries. Second, it was maintained that there was now no efficient clearing house for all grades of workers, that we have no reliable knowledge of the industries in the community, that there is no competent employment bureau which advises men and women, which comprehends the shifting state of industry in city and country and really controls the situation.

In our judgment the information which we are able to gather is inadequate. It expresses opinions and impressions, but has little scientific value. It is necessary to work out a systematic line of investigation and employ competent persons who can devote their entire time and attention to this problem.

Respectfully submitted,

MARY McDOWELL,  
ADOLPH PETRATIS,  
E. L. TALBERT,

Committee on Casual Immigrant Labor.

## REPORT OF THE SUB-COMMITTEE ON CHARITIES.

By Thomas W. Allinson.

Mr. Louis F. Post, Chairman, Immigration Committee of the Commission of Unemployed:

Dear Sir: Pursuant to your assignment of a sub-committee to investigate unemployment as a cause of charitable relief among immigrants, I beg to report:

1. That your committee has canvassed the various public and private agencies which are called upon for relief by immigrants, including the Swedish, Polish, Bohemian, German and other national societies, the United Jewish Charities, the B'nai B'rith Free Employment Agency, Shelter House, Salvation Army, the United Charities and the Cook County Agent.

2. Your committee does not find that any of these agencies have their records in such shape that the accurate and detailed information desired could be readily ascertained. In the cases of the United Charities and the Jewish Societies such data could be obtained by competent persons going through their files, and attempts have been made by these societies to detail their cases, but the pressure of work upon them has not permitted this to be done. Your committee, lacking volunteers who could undertake this work and being without financial resources to employ such service, has been unable to do this.

3. Your committee submits, however, this information:

(a) From the County Agent's report the number of persons receiving relief, and the number and percentage giving unemployment as a cause, for the calendar years 1908, to 1911, were:

1908.....	Total,	11,714	4,195	35.8%
1909.....	Total,	9,309	2,211	23.7%
1910.....	Total,	8,191	1,338	16.3%
1911.....	Total,	10,654	2,080	19.5%

(b) The United Charities reports out of eight of its ten districts, from October 1, 1911, to March 1, 1912, the following:

Of 7,919 cases assisted, 2,521 claimed unemployment as the cause of distress—an average of 32%, as against a normal average approximating 20%. The term "cases," as used, generally means families, and few single men.

(c) A comparison of the records of the Jewish Aid Societies shows:

1910-11—Total cases.....	6,991
1911-12—Total cases.....	7,771
1910-11—Cause of unemployment.....	638
1911-12—Cause of unemployment.....	1,196
1910-11—Insufficient earnings.....	1,235
1911-12—Insufficient earnings.....	1,335

An increase of from 9 to 15 per cent.

(d) By far the most informing reports covering the field are those of the Immigration Commission—"Immigrants as Charity Seekers," Senate Document No. 665, Vol. 1. This volume, on pages 157, 158, deals with cases assisted by the United Charities of Chicago December 1, 1908, to May 31, 1909. This report is suggestive as well as informing, and will well serve as a basis for drawing conclusions. The three years that have passed in no way invalidate its findings, nor have any new facts developed to materially change the situation as presented.

This point should always be borne in mind: That Chicago, by reason of its geographical situation and terminal facilities, is most easy of access from all parts of the country, and thus is frequented by persons out of work and on the verge of pauperism to a greater degree probably than any other city of the country.

Respectfully submitted,

T. W. ALLINSON,  
Chairman, Sub-committee.

## REPORT OF THE SUB-COMMITTEE ON IMMIGRATION STATISTICS.

By Miss Grace Abbott, Miss S. P. Breckenridge, Louis F. Post.

An exhaustive report on immigration statistics with reference to unemployment in Chicago, while it might probably be within the province of your committee, is not within its power to offer. All we find reasonably possible under the circumstances is to refer generally to such sources of statistical information as may throw some light upon the general inquiry and to report specifically upon such as either disclose important facts or suggest lines of further inquiry and verification.

In the annual report of the Commissioner General of Immigration to the Secretary of Commerce and Labor for the fiscal year ended June 30, 1911, there are statements that would be highly pertinent and significant if they were verified. An example appears at pages 5 and 6. Here we find immigration characterized as "a business in the fullest sense of that term," and one in which in its present condition, national difficulties "are increased rather than reduced by the various schemes—private, charitable and public—that are being operated or advocated and advertised for the general distri-



bution of aliens." With reference to and in explanation of this statement the report in question proceeds: "So far as trans-oceanic immigration is concerned, the greatest beneficiaries are the steamship lines; with respect to Mexican peon labor, the large employers and labor agencies." In the same connection this official report asserts, at page 6, that "such concerns as railway lines, constructing contractors, meat-packing houses and the like, using large numbers of unskilled laborers, are always glad to have a surplus on hand so as to be kept in position to keep wages at the minimum." Further emphasis of this alleged condition may be found on pages 117, 118, in the text of the same report. We quote it literally: "Much of the immigration which we now receive is artificial, in that it is induced or stimulated and encouraged by persons and corporations whose principal interest is to increase the steerage passenger business of their lines, to introduce into the United States an over-abundant, and therefore cheap, supply of common labor, or to exploit the poor, ignorant immigrant to their own advantage by loaning him money at usurious rates; or, as now so frequently happens, in the organized and systematized state of the business, a combination of the three elements, so that money-lenders and ticket agents abroad, the transportation companies and the labor brokers and large employers of common labor here, each receive their portion of the benefits and proceeds." These statements are not supported by the published data; but they are made so positively upon official responsibility and are of so much significance with reference to the problems submitted to the Mayor's Commission on Unemployment in Chicago that your sub-committee would recommend a thorough investigation, if the means for making it were available. In any inquiry into the causes of unemployment a solemn official assurance by a great federal bureau to the effect that employers are deliberately over-stocking the supply of labor in order to depress wages should not be disregarded.

As to the number of immigrants that actually come to Chicago, there is no definite information. The annual report of the Commissioner General of Immigration referred to above gives their declared destination by states. For example, in the report for the year ending June 30, 1911, we find (pages 32-34) that out of a total of 878,587 immigrant aliens admitted in that fiscal year the intended future residence of more than one-eighth was in the Chicago region, as follows:

Illinois .....	76,565
Indiana .....	8,482
Iowa .....	8,829
Wisconsin .....	14,613
Missouri .....	11,243

119,732

There are no such statistics with reference to Chicago particularly, and if there were they would probably throw little light upon the subject under consideration. Even these statistics as to the general region may be away from the actual facts. On the one hand, immigrants going elsewhere than to their recorded destinations would diminish the drift of foreign immigration toward this city, while those recorded for other destinations but coming into the Chicago region would increase it.

The thirteenth census of the United States (1910) shows that the population of Chicago increased 28.7 per cent from 1900 to 1910, as compared with an increase of 54.4 per cent during the previous decade (Abstract of Statistics of the Number and Distribution of Inhabitants, p. 43); and the density of population in Illinois increased from 68.3 persons per square mile to 86.1 in 1900 and to 100.6 in 1910. Nine other states have greater density than Illinois. Figures are not yet available indicating how far this increase is due to immigration during the past decade.

In order to decide whether the demand for labor has kept up with the increase in population we should have figures showing the increase in the number of men employed. But on this, information is even more meager. The Thirteenth United States Bulletin (1909) of Manufactures shows that

the per cent of increase in the average number of wage earners employed is manufacturing in Chicago from 1899 to 1904 was 9.4 per cent, and from 1904 to 1909 was 21.5 per cent. How many of these are recent arrivals we cannot conjecture, but the figures seem to indicate that so far as manufacturing is concerned the increased demand for labor has kept pace with the increased population.

And this would be a fair inference from the larger facts of industrial life. As larger sellers of labor, increased populations could hardly exhaust opportunities for employment at a rate much greater than they would themselves maintain as larger consumers of labor products.

In 1907 Congress provided for a United States Immigration Commission, which was to investigate immigration in all its aspects and report its findings to Congress. During 1908 and 1909 the Commission spent over half a million dollars in collecting material, and finally, in 1911, submitted a report of forty-seven volumes. Before presenting its report the Commission submitted its conclusions. Among others: That there exists an over-supply of unskilled laborers in the United States, which is made up principally of the recent immigrants, and therefore recommended restriction by means of a literacy test. This conclusion is, however, not susceptible of proof by any figures as yet available. Adequate proof that the maximum supply of labor either meets or exceeds the maximum demand cannot be given until there is some registration of unemployment through a comprehensive system of labor exchanges, which will show how much the apparent unemployment is due to bad adjustment and how much to seasonal employment without adequate wages.

GRACE ABBOTT, Chairman.  
S. P. BRECKENRIDGE,  
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## II. REPORTS OF SUB-COMMITTEES. 4. RELIEF AND UNEMPLOYMENT.

### REPORT OF COMMITTEE ON RELIEF AND UNEMPLOYMENT.

The Committee on Relief and Unemployment has investigated (1) the extent to which the relief granted in charitable institutions of Chicago is due to unemployment, and (2) the possibility of developing more suitable methods of providing assistance for those unemployed persons who can find no work and who are in need.

#### 1. Relief Granted Because of Unemployment.

A. The United Charities. There are two departments of the United Charities: The district offices, dealing with resident families, and the homeless men department. For the year ending September 30, 1911, there were 12,324 cases in the district offices, of which 2,486 were due to unemployment primarily (20.1 per cent); in the homeless men department there were 1,878 cases, practically all of which were due to unemployment.

The Immigration Commission made a detailed study of the records of the Bureau of Charities from December 1, 1908, to May 31, 1909; on April 31, 1909, the Relief and Aid Society was consolidated with the Bureau of Charities to form the United Charities; after April 31 the aid furnished by the United Charities was included. The total number of cases dealt with was 3,125; the number of persons involved was 14,123.

Per cent of cases and persons involved for each class of apparent causes of need in the Chicago Bureau of Charities, 1908-09:

Apparent Causes of Need.	Cases %	Persons involved %
Lack of employment or insufficient wages.....	58.3	60.6
Death or disability of breadwinner.....	33.5	32.6
Death or disability of another member of family.....	29.0	31.8
Neglect or bad habits of breadwinner.....	26.2	28.4
Old age .....	3.9	1.6
Other causes .....	10.5	10.8

(From Report of Immigration Commission, Vol. 34, p. 161, "Immigrants as Charity Seekers." This totals more than 100 per cent, because some cases were reported as due to more than one cause.)

The proportion of cases for each race reporting unemployment as a cause of distress varies from 80 per cent of the cases in which the head of the family was South Italian foreign-born to 44.5 per cent of the cases in which the head was Irish foreign-born; for the white native-born of native father the percentage was 59.6.

B. Cook County Charity Service. The last available record of the Cook County Charity Service is for 1909. With this will be compared the report for the previous year, when there was more unemployment and distress, due to the hard times of 1908.

Causes of Distress in Out-Door Relief Cases in Cook County Charity Service for years ending November 30, 1908, and November 30, 1909:

Causes of Distress.	1909		1908	
	No. of cases	%	No. of cases	%
Unemployment . . . . .	2,281	24.3	4,414	37.7
Insufficient earnings . . . . .	351	3.7	3,381	28.0

C. German Aid Society. The German Aid Society made a special study of 300 cases that came into their society during the first seven months of 1912, in which the persons applying for relief were unemployed. The causes of the unemployment were as follows:

Old Age . . . . .	7%
Have work, but can not start on account of lack of funds to maintain them until the first pay-day, or because wages are held back . . . . .	17%
Laid off or cannot find work in their trades . . . . .	32%
Convalescent . . . . .	22%
Injured and sick . . . . .	22%
Total . . . . .	100%

Of these persons applying for assistance, 82 per cent were single, 18 per cent married; 42 per cent were skilled, 40 per cent unskilled and 18 per cent were in professional work (actors, lawyers, etc.). This society reported that many of their applicants for relief had been discharged from the County Hospital before they were able to work; one man came to the office with blood trickling from the wound of an operation for appendicitis; many come in with their hands or feet bandaged from freezing and entirely unable to do any work. These cases are dismissed from the County Hospital because of the necessity of making room for those who are in even worse condition; these reports were verified in other philanthropic institutions.

D. Jewish Aid Society. The records of the Jewish Aid Society show the number of cases due to unemployment and to insufficient earnings by months.



## Relief due to unemployment and insufficient earnings:

Year and month.	Total cases.	Cases caused by			
		Unemployment.		Insufficient earnings.	
		No.	% of total	No.	% of total.
April, 1910 .....	520	48	9	97	19
May .....	507	12	2	89	17
June .....	533	12	2	81	15
July .....	446	7	2	74	17
August .....	525	13	2	79	15
September .....	489	13	3	82	17
October .....	499	17	3	90	18
November .....	618	63	10	126	20
December .....	710	122	17	148	21
January, 1911 .....	767	147	19	140	18
February .....	721	100	14	119	16
March .....	656	84	13	110	17
April .....	644	76	12	103	16
May .....	621	65	10	92	15
June .....	640	66	10	165	17
July .....	596	66	11	88	15
August .....	614	63	10	112	18
September .....	502	34	7	68	13
October .....	437	54	12	99	23
November .....	633	78	12	114	18
December .....	668	123	18	97	15
January, 1912 .....	831	227	27	148	18
February .....	837	199	24	166	19
March .....	748	145	19	143	19
April .....	617	88	14	109	18
Total for year ending April 30, 1912 ....	7,744	1,208	16	1,341	17

E. Chicago Christian Industrial League. The Chicago Christian Industrial League had, from March, 1910, to March 1, 1912, 24,235 cases, practically all due to unemployment.

F. The Volunteers of America report that 90 per cent of their applicants for assistance are unemployed.

G. McDowell's Coffee Line gave assistance to about 12,000 men from December 12, 1911, to March 18, 1912. Practically all of these were unemployed.

H. An investigation by the Committee on Nature and Extent of Unemployment has revealed the fact that for the thirty labor unions from which replies were received the average member would receive more than \$700 a year if steadily employed; but that actually the average member in 40.9 per cent of these unions receives less than \$700 because he is not steadily employed. This decrease in earnings makes it necessary for these workers either to secure work elsewhere than in their trades or else depend on savings or charity. The conditions for workers not members of labor unions is probably even less favorable.

I. These figures for Chicago may be supplemented by investigations in New York. A study was made of 1,500 cases in the Charity Organization Society of New York during the year 1910; 29% of these cases were due to unemployment primarily. The Committee on Unemployment in New York states with reference to this "The effects of unemployment as gathered from the records in these cases illustrate very strongly what the most dangerous results of unemployment are. First, is the fact that when a man is thrown out of regular employment, he is likely after a time to take any job that is offered. This draws him into the great group of irregular, casual laborers. At first, unable to get steady work, he soon becomes unable to work steadily, even if the work is available. Secondly, the unemployed workman with a family to support is apt to resume work after a period of idleness at a wage lower than his real earning capacity. The necessity of his condition compels him to accept any wage that is offered. Thirdly, the lower earning capacity of the men compels the women to go out to work, and that means several children neglected. And fourthly,

the children neglected while they are under the legal working age, are sent to work as soon as the law allows.....But they are seldom trained in any occupation which will make them capable of supporting a family when they grow up; for that means a period of apprenticeship with little or no earnings, and the family needs the earnings of the child at once.....The present family's self-support is secured by making the future generation liable to dependency." (Report of Committee on Unemployment, New York, pp. 147-151.) In 1908 the Association for Improving the Condition of the Poor in New York City found that out of 800 unpicked applicants, 35.5% had applied because of loss or lack of work, and 18% had applied because of insufficient work or wages. (Ibid.)

II. Assistance for the Unemployed. A Central Labor Exchange such as has been recommended will undoubtedly improve conditions of labor in making it easier for the workers and employers to come in contact; but there is the further question, with which this committee is concerned, What shall be done for those persons who cannot find work by their own efforts or through the efforts of a Central Labor Exchange?

At the present time workers when unemployed have recourse to one or more of the following means of support: Benefits from labor unions, lodges, etc.; savings; living on credit or borrowing; appeal to charity organizations for assistance. These means are not satisfactory; there are only a few labor unions or lodges or similar organizations which pay any out-of-work benefits. It is desirable to secure a system by which a person when unemployed necessarily, may have some income until work can be found; it is also desirable that this income should not be a gift. Unemployment is one of the risks of a trade, and should be borne by the trade, or by the community in some way. There are two general plans for distributing this burden:

(1) Relief works have been tried extensively in European countries, and in some places in the United States. The European experience has been on the whole that the works which are undertaken by the city or state for the purpose of furnishing employment have not paid; that was also the experience in Chicago just after the World's Fair. In Kansas City, however, there is in operation such a system, which the Board of Public Welfare reports to be successful.

(2) Insurance against unemployment has been working successfully in Belgium and Switzerland and in some German cities; it has just been recently started in certain trades in England. The Committee on Standards of Living and Labor, of the National Conference of Charities and Corrections, in a Platform on Social Standards for Industry prepared by the chairman of the committee, describes the Ghent system of insurance against unemployment as follows: "Underlying principle: help in proportion to self-help; i. e., if worker himself provides against unemployment, by joining an association granting out-of-work benefits to members; or by placing funds in a bank, he may upon unemployment receive from city committee a grant of money in direct proportion to amount received from association or drawn from bank.....Subsidy paid only in case of involuntary unemployment, including fire and breakdown of machinery; not including unemployment due to strikes, lock-outs, sickness or other physical incapacity. Payment made through affiliated associations wherever possible. Committee works in co-operation with municipal labor exchange. Workmen claiming grants required to register at exchange, and are bound to accept suitable work offered, on pain of forfeiting grant. Daily registration—now required by many trade unions—will probably be required in near future. Adult men and women are treated on same basis; children receive a smaller rate; present number of members insured is 20,000. 'The existence of the scheme has had a most important effect on the unions.....They have come to look upon themselves not simply as armies drilled to make war on employers, but as instruments of general social organization and progress, fulfilling most important functions in the commonwealth, even apart from their functions as protectors of the workman against the employer.' Gibbon, I. G., Unemployment Insurance, p. 89."



## RECOMMENDATIONS.

Inasmuch as your committee has found that unemployment is the most prevalent cause of distress, as it presents itself to the charity organizations of Chicago—the exact percentage of the distress due to unemployment varying in different organizations from about 15% to 100%—and inasmuch as the present methods of providing for ourselves when we are unable to secure employment are unorganized, and inasmuch as the platform prepared by the Committee on Social Standards for Industry has stated that “unemployment of able-bodied adult men under 65 years of age is abnormal and wasteful, and is as proper a subject for recognition by the public authorities as contagious disease, or other abnormal conditions which menace the public well being; the demand for insurance against unemployment increases with the increasing specialization in industry” (p. 41), and inasmuch as many persons are turned out from the County Hospital before they are able to work, therefore your committee recommends:

1. The establishment of a state insurance against unemployment based on the Ghent system.
2. That the Governor and Legislature be requested at the next session of the Legislature to pass laws providing for such a system.
3. The establishment by the County of a convalescent hospital where persons dismissed from the County Hospital may be kept until they are able to work.

## BUREAUS OF EMPLOYMENT IN EUROPE.

By C. R. Henderson, Read Before the American Association of Public Employment Agencies, Dec. 18, 1913.

Fortunately we have a recently published report which gives us all the facts which it is possible to gather on our subject (1), and I have used it freely in this paper.

(1) Bulletin Trimestriel de l'Association internationale pour la lutte contre Chômage, July-Sep., 1913.

Two eminent statisticians of the German Empire, Dr. Freund and Dr. Zacher, were appointed in 1912 to gather from all nations the statistics of the bureaus of unemployment, in accordance with a previous resolution taken in 1910. No more reliable authorities could be selected. A schedule was sent to be filled out and explanations and recommendations were solicited. Fifteen countries sent replies. Drs. Freund and Zacher arranged the tables and summarized the results.

Their first conclusion was: “The actual position as regards employment bureaus is almost everywhere unsatisfactory. The scattered nature of the organizations and the diversity of the methods of administration make it impossible to obtain a clear general view of the situation on the labor market at a given moment, to determine with certainty the number of workers available and the number of vacant places, to establish a rational equilibrium between supply and demand, to draw up useful statistics of the labor market, and to take preventive measures in time against unemployment.”

It is desirable that this expert judgment, since it includes the United States, should be known here and that we should try to understand how serious the situation is. We can never make progress while we choose to live in a fools' paradise and shut our eyes to disagreeable truth. All that we can do is mere patchwork and quackery until we have a scientific foundation in knowledge and the organizations for obtaining knowledge of facts.

The International Committee declares that this “survey reveals a multiplicity of forms, a splitting up into fragments, and huge gaps in the methods of employment agencies which actually amounts to anarchy. The only exception is England, which is the only nation which can show a network of employment agencies over the whole economic field which is unified and regulated by law. But even the English report gives no information whether and in how far there are, in addition to the state officers, other employment offices, especially those of employers or of employees; whether for the total number of the wage earners (14 millions), of whom the state offices served only 500,000, these are agencies; and whether and



how far the state organization is gradually drawing in the other offices and establishing a monopoly." This seems from some figures given to be the tendency, but the time of operation is still too short for assured judgment.

A distinguished and honored citizen of our country has recently published an article, which has been widely quoted in the newspapers, in which he held up the German system as a model of unified, interlocking, systematic provisions for securing employment. No doubt some of these offices are doing excellent work; but this German report is far from optimistic. The statistics and descriptions show that the organization of the labor market in Germany is very imperfect. "The two essential principles of a rational system of labor exchanges—neutrality and centralization—are far from being realized. The principle of neutrality is broken down particularly by the employment bureaus of interested parties such as employers and employes. On the other hand, the labor exchanges are not centralized according to localities or trades, nor even interlocally. Interlocal centralization is equally a vital necessity in enabling the labor exchange to fulfill its essential work of maintaining, on the largest possible scale, the balance between the supply of, and demand for, labor" (pp. 689-690). "The first attempt in the way of interlocal centralization was made by the federations of public labor exchanges. At the present time these exist in all the federated states, except the two Mecklenburgs and Bremen; in addition, all the provinces of Prussia possess them, or are taking steps for their organization. But for the success of their work, the federations need to become institutions established by public law. Lacking this, they are dependent on the good will of local authorities, having neither the power to create, nor the right to inspect employment bureaus, profit-making or otherwise. Finally, from the financial point of view, they are at the mercy of the State and the Communes, whose subventions can always be stopped.

"Besides the reform which aims at equipping the federations with the necessary legal powers there should be created for the whole Empire a central organization to be entrusted, as a beginning, with the task of unifying at least the labor exchange statistics."

This must be taken as an official and authoritative statement of the situation in Germany.

#### FRANCE.

The situation in France is set forth in the statement of these facts furnished to the International Association:

The gratuitous, semi-philanthropic exchanges are not growing in usefulness. The bureaus maintained by employers filled 324,000 places out of a total of 812,000 in 1911; the public free bureaus filled fewer than 100,000 places. About two-thirds of this work was done in Paris alone, chiefly for workers in the provision trades, domestic service and hairdressing.

The profit-making bureaus filled 259,129 places; 239,884 of which were filled by domestic servants. The law of 1904, which was designed to suppress these profit-making offices, evidently failed of its purpose, since of 709 such exchanges existing in 1911, 235 have been created since March 14, 1904. Until good public exchanges are established these costly and dangerous offices will be able to exist in spite of adverse legislation.

But in France the half-measures of the public have made little progress. The State set apart in its budget 35,000 francs to subsidize satisfactory municipal employment bureaus under joint management of employers and employes. Yet out of nearly 200 towns where bureaus nominally exist, there have been scarcely 20 which met the conditions of receiving the subsidy of government.

Various propositions have been made, but nothing satisfactory and adequate has been done by the supreme legislature.

#### AUSTRIA.

(P. 696.) In *Austria* the public employment bureaus take various forms, there being no Imperial law to regulate them on uniform principles. Bohemia and Galicia have regulated employment bureaus by legislation in those crown lands, in 1903 and 1904. Little has been done to encourage public employment bureaus by subsidies.

Public employment bureaus due to private initiative exist in all the provinces, except Dalmatia and Carinthia. All these institutions are linked, very loosely and inefficiently, by the Imperial Federation founded in 1906.

Side by side with these public institutions, there are in Austria bureaus organized by corporations, employers' associations, workmen's trade unions, charitable, religious, racial and economic societies, and profit-making employment bureaus. The public bodies play the most important part. About one-half their operations deal with domestic servants, and more than 40 per cent deal with workers both in industry and in handicraft. The charitable bureaus deal principally with domestic servants; the profit-making bureaus find situations in about an equal proportion for servants and other wage-earners, particularly in the catering trade. The finding of places in agriculture is supported principally by the public bureaus. In 1911 the Agricultural Society at Vienna created a Central Employment Bureau for agriculture, in order to supply laborers to the Alpine regions. For some time this office has also undertaken to place laborers in their agricultural regions.

The most important exchanges are those of Vienna and of Bohemian cities.

The attitude of trade unions toward public exchanges in Austria has changed from time to time; actually organized workers apply in large numbers to the public officers.

*Hungary* has no system based on the principles of neutrality and centralization. Three important exchanges are conducted by public officials and representatives of employers. Subsidies are paid by the state, by the cities and by employers.

### BELGIUM.

Employers have one exchange, established by the Chamber of Commerce. Some of the trade unions try to place their members in situations, but their statistics are imperfect. A few offices are maintained by associations for providing workmen's dwellings. Philanthropic societies have a certain number of bureaus. Many efforts have been made, with some success, to establish exchanges in the management of which employers and employes are represented.

### DENMARK.

The employment bureaus of the employers are few and relatively unimportant. Those organized by the wage earners number 21, with 73,235 members; their central office has not yet become very effective. The city of Copenhagen has a local exchange supported by the municipality and governed by a committee which represents employers and employes. In April, 1913, the Legislature enacted a law in regard to labor exchanges which provides for the regulation of local public exchanges and a central office at the capital. The bureaus are to be governed by a committee of at least seven members elected by the Municipal Council or similar body, with equal representation of employers and employed; the chairman must be independent of both sides. The central office is a branch of government. The services of placement are gratuitous. Cost of transportation will be met by the exchanges. The local bureaus are required to co-operate with the others through the central office.

Local bureaus are supported by the public funds of the municipalities served, with a subsidy of one-third the expenses from the State.

### ITALY.

There is only one bureau maintained by employers. The exchanges of the employes are maintained by labor officers, national trade unions, isolated leagues, organizations of agricultural laborers. There are a few not very important mixed exchanges, maintained by employers and employes, chiefly for bakers and hotel waiters.

There is only one municipal exchange. The State has only exchanges for sailors at the ports.

The famous *Società Umanitaria* at Milan has done some effective work on a small scale.

Italy has little to teach or encourage us on this point, according to the report of their committee.

### SWITZERLAND.

Eighty-five bureaus replied to the question list; 24 are under joint management of employers and employed; 43 are affiliated to a federation, and 14 of this number to a federation which maintains exchange of information with states outside Switzerland. Thirteen bureaus ignore trade disputes; 20 notify both parties



of the existence of a dispute and continue to work; 23 bureaus take part in disputes by boycotting one of the two parties. Nineteen bureaus are connected with unemployment relief funds. The Swiss Union of Labor Offices, created about 10 years ago, comprises 15 public exchanges, with headquarters at Zurich; and the public exchange is gradually showing its superiority to those privately conducted in the interest of a party. The organization in Switzerland is worth study.

### GREAT BRITAIN.

The most complete system yet constructed is that of Great Britain, which began its activity February, 1910, under the "Labor Exchange Act" of 1909. This law has few sections and merely gives the Board of Trade power to establish or take over Labor Exchanges, to assist Labor Exchanges maintained by other authorities, to collect and furnish information as to employers requiring workpeople and workpeople seeking employment, to establish Advisory Committees for the purpose of giving the Board of Trade advice and assistance, and to make regulations as to the management of Labor Exchanges with special reference to the question of advancing fares as a loan to workmen proceeding to employment.

The United Kingdom was divided into divisions, for convenience in administration, with an office for each division, and all being connected with the central office in London. There are 8 divisions, with 430 exchanges. These exchanges are also organs of the new Unemployment Insurance, in which policy Great Britain boldly leads the world.

Women are dealt with so far as possible by women officers, and a special staff takes care of juveniles. The buildings used provide for classification: insurable and uninsurable, artisans and laborers, women, girls, boys having separate accommodations when desirable.

Applicants for situations fill in suitable forms, which are indexed, and they are notified when places are found for which they are adapted. Applications for workpeople are received by telephone, telegram, letter, or personal call.

"The duty of the manager of the exchange is first of all to endeavor to fill such vacancies as may be notified to him from his current or live register. Should however, he be unable to do so, he communicates by means of special forms or cards with the Divisional Center to which that exchange is attached, which in its turn circulates the unfilled vacancies notified from the various exchanges under its control to the other exchanges in its district where applicants of the class required are likely to be found. Should it not be possible to fill the vacancy within the division the Divisional Office circulates it to the other divisions, where a similar procedure is followed. Thus an application for employment or a vacancy notified entirely loses its local character and becomes available throughout the whole country."

In case of strike or lockout the association of employers or workmen may give a confidential notice of the fact to the exchange, and applicants are notified of the dispute and act accordingly. This procedure, it is claimed, has been satisfactory to both sides.

It is cruel mockery to offer a man a job at a distance when his shoe soles are already worn out, his stomach growling for food, his energy depleted by starvation, and his pocketbook long since empty. An essential feature of the English system is the provision for advancing railway fare to the place where work is found. In the year 1912, 96,189 persons took advantage of this measure, 12.3 per cent of all vacancies filled. Of the sum advanced 94.4 per cent was repaid, and all but a trifle (1.6 per cent) would be paid in time. This advantageous measure is subject to the following conditions:

(1) That the privilege is limited to workmen for whom vacancies have been found through a labor exchange.

(2) That the advance is a loan and in no way a gift or act of charity, and that it must be repaid, by installments if necessary, which may be deducted from the workman's wages by the employer in convenient amounts.

(3) That fares may not be advanced in cases of workmen proceeding to vacancies caused by a trade dispute affecting their trade, or to vacancies where the wages offered are lower than those current in the trade in the district where the employment is found.



## CONCLUSIONS FROM THE SURVEY.

1. The necessity of establishing a *central, national* organization is generally recognized by expert opinion; it is realized only in Great Britain.

In the United States the constitutional limitations upon the authority of Congress would probably make the British system impossible; but it might be possible to maintain a bureau at Washington whose function would be:

(1) To collect and circulate information about the labor market in all the important centers of the Union;

(2) To extend and improve the present facilities for guiding and protecting immigrants in search of places to work;

(3) To secure legislative and administrative control of movements of labor between the states and in interstate commerce.

2. The several states should each have a central organization, a network of free employment exchanges, all combined in a co-operative system, and equipped with means and authority for effective service.

3. The municipalities should have their own local exchanges, but these should be under control and direction of the state system, with such local functions as would adapt them to peculiar needs of communities.

## UNEMPLOYMENT INSURANCE.

By C. R. Henderson, Paper Prepared for the American Association for Labor Legislation, 1913.

## I. The Necessity of Unemployment Insurance.

While the method of unemployment insurance is yet to be worked out, there is general agreement that the subject is already within the range of practical politics. No one acquainted with the evils to workmen and to society which arise from involuntary idleness can be blind to the need of prevention and indemnity; no one who has studied the general social causes of unemployment beyond the control of individual wage earners can doubt social responsibility; while the vast schemes of insurance in India and Great Britain compel at least respectful consideration of the magnificent venture of our Mother Country. We can already begin to discover in ragged outline the presence of a law of periodicity, secularity, regular repetition and averages of great numbers, which brings the phenomenon of unemployment within the range of actuarial science, although we are not yet in sight of solution of all the problems. Indeed, we must even risk something in practical effort before we can furnish statisticians and actuaries with facts to count. The most cunning mathematician must wait on the march of experiment for the raw materials of his calculations. As some one has said, we cannot *wait* for evolution, we must *make* evolution, as Burbank develops new varieties of plants by trial.

It is already evident: that unemployment is a regular phenomenon of modern industry; that each trade has its own coefficient of enforced idleness; that the risk may be measured, foreseen and provided for on actuarial principles; that such a risk which falls with ruinous flood on the weakest individuals may be divided into spray and not seriously felt when the whole nation shares the responsibility; that it is socially desirable to prevent or indemnify unemployment, so as to avert the economic and moral destruction of working people, the necessity for wholesale poor relief, and the desperation which mocks social order when life is not worth the effort it costs to sustain it.

The assertion is that unemployment insurance has become a necessity, that is for a people which proposes to be civilized. It is a moral, not a physical, necessity; we cannot retain our ethical standards and refuse to face our task.

## II. The Statistical Basis for Unemployment Insurance.

Thus far the German Empire has refused to launch upon this untried sea. The explanations given in that country point to a disagreement between local and federal administration as to which should bear the responsibility. The experts have not yet come together on this point. Another explanation of the delay is that even after an exhaustive investigation of the whole subject, their specialists do not feel that their basis of fact is broad enough to support an imperial system. There are other causes of delay, but the necessity of having actuarial data is fundamental.

Mr. Frank B. Sargent has summarized for us the results of a study of the statistics of unemployment in the United States<sup>1</sup>: The sources of statistics used by the Bureau of Labor are: (1) The United States Census reports. (2) A report on the cost of living contained in the Eighteenth Annual Report of the Commissions of Labor. (3) Reports of unemployment among organized workmen in New York and Massachusetts, issued by the department of labor in New York and the bureau of statistics in Massachusetts. (4) Reports of unemployment among organized workmen, by the American Federationist. (5) State census of the unemployed in Rhode Island in 1908. (6) Reports of the Geological Survey, showing the days of enforced idleness in coal mines in the United States. The report analyzes the materials presented in these sources and estimates their value. It shows very clearly that the fluctuations in unemployment cannot be explained on the exploded theory that the workmen are generally indolent shirks, that they are as a rule individually to blame. The chief cause of unemployment is that at times which regularly recur men who desire to work cannot find gainful occupation. It is not true that an industrious man in America can always find employment. It is true there are many vagrants and tramps; but they do not in any proper sense represent the rank and file of American wage earners.

The value of these statistics as a basis for actuarial calculation is low. There is much evidence for believing that an essential prerequisite for insurance is the effective organization of a national labor exchange with state and local branches. It will probably be found that regulation of international immigration will be necessary before we can be sure of maintaining solvent insurance funds. Only federal authority is wide enough and strong enough to provide records which will represent the conditions and fluctuations of wage earners who move back and forth across our country, as lured by hope of employment, without the least regard for municipal and state lines. It may even be found necessary to apply federal regulation of immigration in order to save our own wage earners from the disastrous fluctuations due to unregulated floods of laborers.

### III. Methods of Unemployment Insurance.

"The essence of every kind of insurance is that it guarantees both legal and economic security of income in case of accident. The legal right gives the insured a claim in court apart from benevolence and kindness. Economic security assumes that the insurer is able to meet the risk, and this implies that the risk is calculable." (Jastrow, Sozialpolitik, I. 249.)

Mr. I. G. Gibbon in 1911 published a valuable study of the European schemes and experiments which presents in convenient form the various aspects of the subject<sup>2</sup>. Mr. Gibbon groups the various plans under three main heads (Int. p. IV):

"Compulsory insurance, the insurance being compulsory on certain classes of workers;

"Provided voluntary insurance, the insurance being provided by a public authority or some body other than the insured persons—and being usually open to workers in general;

"Autonomous voluntary insurance, the insurance being organized and administered by the insured themselves, each insurance association being generally restricted to persons following the same or allied trades."

Mr. Gibbon's book furnishes adequate information about the various European schemes up to 1911. But since then his own country has ventured on a colossal plan.

1. The most complete scheme of unemployment insurance is the "British National Insurance Act, 1911. (Bul. U. S. Bureau of Labor, 102, July 15, 1912.) An analysis of this act brings us to the present frontier of our subject.

Section 84. Right of workmen in insured trades to unemployment benefit.

Every workman who, having been employed in a trade mentioned in the list, is unemployed, and who meets certain conditions, shall be entitled to unemployment benefits at rates and intervals prescribed in the law.

The list (Sixth Schedule) of trades insured includes: Building, construction of works, ship-building, mechanical engineering, iron founding, construction of vehicles and saw milling.

<sup>1</sup>"Statistics of Unemployment and the Work of Employment Offices." Bulletin 109, U. S. Bureau of Labor, October 15, 1912.

<sup>2</sup>Unemployment Insurance, London; P. S. King and Son, 1911.



Section 85. Contributions by workmen, employers, and the Treasury.

The contributions are fixed at 5 cents a week from each workman, and 5 cents from the employer; lower rates being paid for young persons under 18 years of age.

These contributions are legally obligatory in the trades named.

The employer pays the dues of workmen and deducts the amount from the wages.

Parliament provides each year for a public contribution equal to one-third of the total contributions received from employers and workmen during that year.

Section 86. Statutory conditions for receipt of unemployment benefit.

1. The workman must prove that he has been employed as a workman in an insured trade in each of not less than 26 separate calendar weeks in the preceding five years;

2. That he has made application for unemployment benefit in the prescribed manner, and prove that since the date of the application he has been continuously unemployed;

3. That he is capable of work but unable to obtain suitable employment;

4. That he has not exhausted his right to unemployment benefit under this part of this act.

The workman is not obliged to accept work in a place vacant by reason of a trade dispute, nor on conditions lower than rates fixed by contracts or custom.

Section 87. Disqualification for unemployment benefit.

During a trade dispute the workmen on strike or locked out have no unemployment benefit. One discharged for misconduct receives nothing for six weeks.

Section 88. Determination of claims. This is provided for by the decisions of "insurance officers" and referees.

Section 89. Appointment of umpire, insurance officers, inspectors, etc. The umpire may be appointed by the Home office and the Board of Trade can fill other offices as required.

Section 90. Courts of referees are provided for.

Section 91. Regulations may be made by the Board of Trade.

Section 92. Unemployment fund is under the control and management of the Board of Trade, and out of this benefits are paid. A system of accounting is provided.

Section 93. Treasury advances. Provision is made for temporary increase of dues or decrease of benefits to keep the fund solvent.

Section 94. Refund of part of contributions paid by employer in the case of workmen continuously employed.

This section aims to encourage employers to keep their works running by paying back one-third of their contributions in case they have employed their force the whole year.

Section 95. Repayment of part of contribution by workmen in certain cases.

If a workman has paid contributions 500 weeks, at the age of 60 he may have repaid him the amount by which his contributions have exceeded his benefits received.

Section 96. Refund of contributions paid in respect of workmen working short time.

Section 97. Exceptions for occasional employment in rural neighborhoods. Exceptions may be made and a rural worker who only occasionally works in an insured trade may not be required to pay contributions.

Section 98. Payment of contributions in case of reserves or territorials during training.

Section 99. Provisions with respect to workmen engaged through labor exchanges. Arrangements are made for treating men who are sent out to various employers at different periods as if they were in continuous employment.

Section 100. Provisions are made for testing the skill and knowledge of a workman supposed to be defective, and to provide for his technical instruction if this promises to diminish the charges on the unemployment fund.

Section 101. Offenses and proceedings for recovery of contributions, etc.

Section 102. Periodical revision of rates of contribution. To keep the fund solvent and to reduce cost in case the fund is too large, the Board of Trade is authorized after seven years to increase or diminish the contributions—within certain limits.



Section 103. Power to extend to other trades. The Board of Trade is legally authorized to extend the benefits of the act to trades not mentioned in the schedule—within specified limits.

Section 104. Exclusion of subsidiary occupations. The Board of Trade is authorized to exclude occupations which are auxiliary to the trades listed but not essentially a part of them.

Section 105. Arrangements with associations of workmen in insured trades who make payments to members whilst unemployed.

This section is designed to encourage benefit societies to insure their members; in lieu of paying benefits to individual members, the association is repaid up to  $\frac{3}{4}$  of the amount of payments made during the period by the association to its unemployed members.

Section 106. Repayments to associations who make payments to persons whether workmen in insured trade or not, whilst unemployed. This section extends to state and to other forms of organization.

Section 107. Interpretation and application. Definition of "workman."

"Unemployment": Two periods of unemployment of not less than two days each, separated by a period of not more than two days, during which the workman has not been employed for more than 24 hours or two periods of unemployment of not less than one week each, separated by an interval of not more than six weeks, shall be treated as a continuous period of unemployment.

### GERMANY.

While it is true that the German Empire, whose leadership in social insurance is recognized by all, has not yet undertaken to organize unemployment insurance, this is not because their workmen and their statesmen are indifferent to the problem. The huge volumes of reports<sup>1</sup> of experts reveal the vast amount of careful and expert labor which has been given to the subject. The chief reasons for hesitation have already been indicated.

While the imperial authorities delay the cities have entered the field of experiment; it remains to be seen whether governments whose territory is limited to municipal boundaries are strong enough to control the situation. Many doubt this policy, even in Germany.

Meantime, we may study the results of an inquiry into the progress of the local efforts.

#### Recent Progress in German Cities.<sup>2</sup>

1. Agencies exist for unemployment insurance as follows:

In Berlin-Schöneberg, 1910; subsidies to associations and to those who have savings accounts.

Cologne (1896, transformed in 1911), voluntary insurance funds.

Erlangen (1909), subsidies to associations and aid to the unemployed.

Freiburg in Baden (1910), subsidies to associations and to those having savings accounts.

Schwäbische Municipality (1911, 1912), subsidies to associations and voluntary insurance funds.

Mannheim (1911, transformed in 1913), subsidies to associations and pure relief to the workless.

Mülhausen i. E. (1909), subsidies to associations.

Strassburg i. E. (1906, 1907), subsidies to associations.

Stuttgart (1912), subsidies to associations and those having savings accounts.

2. In the following cities plans have been studied but not introduced: Berlin, Cassel, Colmar i. E., Dresden, Düsseldorf, Essen, Emden, Frankfurt a. M., Gerben, Heidelberg, Mayence, Munich, New Cologne, Neumünster, Nuremberg, Pforzheim, Weissensee.

3. The following cities have rejected proposals for insurance: Berlin-Witmersdorf, Braunschweig, Danzig, Dessau, Elberfeld, Halle a. S., Hamburg, Hof, Köpnick, Kulmbach, Regensburg, Spandau, Wiesbaden, Würzburg.

4. Failure of plans is reported in Augsburg, Charlottenburg, Duisburg, Solingen.

<sup>1</sup>Die bestehenden Einrichtungen zur Versicherung gegen die Folgen der Arbeitslosigkeit, etc., 1906.

<sup>2</sup>Reichs-Arbeitsblatt, March, 1913, p. 188. Cf. 1910, S. 38, 102, 278; 1911, S. 38, 181.

#### IV. Relation of Unemployment Insurance to the Prevention of Unemployment.

1. The primary interest of the individual workman and of society is in the prevention of accident, disease, premature senility or invalidism, death, unemployment. Before all questions of indemnity for evil is prevention of evil; and a system of insurance, to meet all rational requirements, must show that it contains methods of reducing the loss. This principle applies to the matter in hand.

The means of diminishing unemployment have been fully discussed by recent writers<sup>1</sup>. It is here taken for granted that we are working for the vocational training and guidance of young persons; that we have a policy of preventive medicine which will reduce the amount of idleness due to sickness; that we favor the establishment of test and training colonies for dealing with the "unemployables" of all varieties, and that we urge upon railway companies, cities, states and the federal government the policy of spreading their contracts over a long term of years, so as to avoid, as far as possible, the deadly alternating currents of idleness and excessive strain which now characterize our industries. But we also may insist that the same machinery which effectively provides insurance should itself automatically and with certainty reduce some of the preventable causes of unemployment. This we can consider in discussing the relation between well administered labor exchanges and unemployment insurance.

Other forms of insurance connect indemnity with preventive measures. There are mutual fire insurance associations where the members are required to have slow-burning or fire-proof construction in their buildings and to provide effective means of automatic extinction of incipient fires; and by such measures the premiums have been greatly lowered. Many fire insurance companies organize salvage corps by which the municipal departments are supplemented and the loss reduced; and the cost of this method is defended on the ground that it lowers the premiums of insurance enough to justify the expenditure. In the German systems of sickness, accident and invalid insurance, the funds are heavily drawn upon to arrest the advance of disease and secure a rapid convalescence.

2. The modernized labor exchange is an essential factor in any sound unemployment insurance scheme. On this principle all authorities agree.

Without a thorough test through a good agency, the risk could not be calculated. If the insured may become voluntarily unemployed in order to enjoy the indemnities, an element of uncertainty would be introduced which might vitiate all actuarial estimates. No human wisdom is keen enough to discriminate between voluntary and involuntary unemployment by any external sign; and the unsupported claim of the applicant is not a substantial ground for judgment. The labor exchange alone can offer even a rough working test of sincerity. One of two situations is before a labor exchange which is complete and adequate: either the applicant is offered work or it can be known that there is no demand for him. Even the best labor exchange cannot furnish occupation when no employer is seeking labor force, but the well equipped employment office can very generally offer a place. If work is refused by the applicant, his indemnity can be refused, and the insurance fund is protected. No further compulsion is necessary.

A well conducted labor exchange actually reduces the risk of unemployment and hence tends to lower the cost of insurance and strengthen the stability of the fund.

When both employers and employes contribute to an insurance fund, they will be prompted by self-interest to improve their labor exchange and to use it.

This implies that the labor exchange must be national, non-partisan, lifted above the talons of party politicians, placed under the aegis of the merit system, administered by trained experts, and so honest and impartial as to command the confidence of the wage-earners, the employers and the general public.

#### V. The Trade Union as the Nucleus of Unemployment Insurance.

In all countries with advanced industrial development, at least some of the trade unions have made experiments with unemployment insurance. In our country this is practically the only approach to unemployment insurance. This is so far true that many students regard the trade union as the best organization through which to work.

The union is organized for collective bargaining, especially for the advancement of wages, and it has a direct and constant interest in preventing the competition of large numbers of unemployed workmen who are naturally eager to

<sup>1</sup>W. H. Beveridge: *Unemployment* (1910); S. and B. Webb: *The Prevention of Destitution* (1911); B. S. Rowntree and B. Lasker: *Unemployment* (1911).



accept employment on almost any terms they can make. Outside of their strike funds, some of the unions have out-of-work and traveling benefits which are practically unemployment insurance funds. These funds become genuine insurance only when they are legally a right of the members and when the fund is solvent.

The difficulty is at present that few of the unions can meet these two conditions, and that multitudes of workmen are altogether outside the benefits of the trade organizations. The dues which could be paid by the unskilled laborers would necessarily be too low to provide a solvent fund.

A further limitation is that since unemployment is caused by general conditions, and the evil of idleness is not confined to the wage-earners directly involved, it is both unfair and impolitic to impose the whole cost of unemployment insurance on the workmen even if their wages might possibly furnish adequate premiums. All recent social insurance is based on the principle of distribution of these inevitable losses over the whole nation, through public contributions to the funds.

It is evident that employers cannot be asked to contribute to a fund which can be used to support strikes, any more than workmen could be asked to create a fund for indemnifying the employer who locks them out or suffers by their strike.

Some writers conclude from this situation that a public insurance fund must exclude trade unions. But is there not a safe alternative? May it not be arranged that public insurance indemnities shall be refused to men who are out on strike or lockout; that trade disputes shall not complicate the problem of insurance?

The first trade union which in Germany undertook unemployment aid was the union of typesetters, founded in 1866. In 1875 it introduced aid for traveling members in search of occupation. The Hirsch-Duncker union discussed a plan in 1879.

#### VI. The Direction of Effort and Outlook.

We are in the habit now of asking ourselves very little about the summum bonum, paradise, the "Ultimate Ideal" or "Golden Age," but rather what is the next step. Experiment alone will open the way; our headlight reveals only a few rods of track in front of our eyes. We shall be wise to move forward by that headlight and not pay too much attention to the red, green or blue light at the tail of our train.

We can, at least, unite on improved labor exchanges. Our present employment bureaus, public and private, while they represent mental confusion, waste, discouragement, are a huge tax on employers and employes. They compete with each other and their conflicts defeat their social end. Here is a task for our new Department of Labor; may it be granted the power to accomplish something and its directors have the will and wisdom to put forth an effort worthy of a great industrial nation!

Would it be possible to secure subsidies to trades unions and mutual benefit societies to encourage them to carry unemployment insurance? This plan has a limited success in Belgium. Would it succeed in the cities of the United States? Unless some provision was made at the same time for working people outside trade unions, such a use of public funds would be manifestly unfair, perhaps unconstitutional. Is there any present evidence for believing that employers would welcome and further a measure which would strengthen trade unionism? The opposition of employers would present a very serious obstacle to this course.

Would it not be more fair, more full of promise for results within a reasonable time, if all those who realize the monstrous injustice of neglect should unite on a policy resembling in its main principles the British System? Would it not be actually easier to secure a great measure for a great need, in a great country, than a measure which must be confessed inadequate, petty and weak from the first moment of discussion?

These are questions to which satisfactory answers cannot yet be given.

Probably we shall blunder on in the good old Anglo-Saxon way, try experiments on a small scale and keep the people thinking until some day the clouds lift and the lawyers and judges find that after all a measure required by the national welfare has all the time been lurking concealed in the cryptic oracles of the fine old Constitution, even if our infallible and respectable ancestors who wrote that instrument never dreamed of the problem as even a remote possibility. "Legal fictions" have more than once delivered us from the "dead hand" and served almost as well as the living truth itself, but not so well as truth itself.



# UNEMPLOYED AND PUBLIC EMPLOYMENT AGENCIES

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## CHAPTER I.

### UNEMPLOYMENT AND PUBLIC EMPLOYMENT AGENCIES.

By E. H. Sutherland.

#### INTRODUCTION.

In the modern industrial community unemployment is a continuous phenomenon. It is found even when industry is being hampered by an inadequate labor supply. From the standpoint of the person unemployed it is obviously the result chiefly of the inability to find employment immediately after dismissal or displacement from an engagement, and may be expected to recur periodically at the point of the cessation of occupations or at irregular intervals at the point of disturbance in occupations. Some workers are periodically dismissed at the end of the active seasons; others are employed at odd jobs, and after a few hours or a few days become unemployed; the engagement is characteristically permanent only in those few occupations which, because of the greater continuity of employment, have been called regular. In addition to the workers who are dismissed at the end of their engagements, there are seasonal, casual and regular workers who have become unemployed at times when they have been displaced, either temporarily by such disturbances in their occupations as accidents to the plant or lack of raw materials, or for longer periods by crises or depressions, or permanently by the introduction of machinery or the decay of the industry.

Undoubtedly the least efficient are selected for dismissal or displacement whenever possible, but even if equal efficiency of all workers were assumed, there would still be seasonal and casual occupations, introduction of new machinery, decay of industries, depressions and accidents to the plant; consequently, if other conditions remained the same, there would still be unemployment. Equal efficiency of the workmen would not prevent the fluctuations in the number of employes required. Efficiency is very important in the determination of who shall be dismissed, but the condition of the industry is the important factor in the determination of how many shall be dismissed. This becomes very apparent from a consideration of the coefficients of unemployment in different occupations.

Max Lazard, *Le coefficient de risque professionnel de chômage d'après les trois derniers recensements français*, Journ. de Soc. de Statistique de Paris, 53:7-30, Jan., '12; Max Lazard, *Le chômage et la profession*; New York, Report of Commission on Unemployment, 1911, Charts IV and V. The complete title of this report, to which for the sake of brevity reference is here made as the New York Commission on Unemployment, is "Report to the Legislature of the State of New York by the Commission to Inquire into the Question of Employers' Liability and Other Matters. Third Report: Unemployment and Lack of Farm Labor, 1911."

In order to center the attention on these industrial factors, the unemployed are generally defined as those wage-earners who are able and willing to work, but who cannot find work.

This definition is composed of three concepts: "Ability to work," "willingness to work" and "being without work." These are vague concepts, have not been standardized and at present are not subject to actual measurement. Any person other than a complete invalid is able to do some work. "Willingness to work" is always dependent on the conditions of the work and the ideals of the workman; the



skilled mechanic frequently refuses to work as a common laborer, the trade unionist sometimes refuses to work in an open shop, or the prohibitionist in a saloon. It is difficult, also, to determine the exact meaning of "being without work"; for instance, how should a workman who is on the books of a firm and reports for work each day, but who secures work only three days a week, be classified? The determination of "ability to work" and "willingness to work" must be made with reference to the local standards and conditions of employment, while the presence of the worker in the labor market is the best criterion of "being without work." The Imperial Statistical Office of Germany has reported that the real difficulty in insuring against unemployment is to secure a simple test of unemployment. See, Germany, Statistisches Amt, Abteilung für Arbeiterstatistik. Die bestehenden Einrichtungen zur Versicherung gegen die Folgen der Arbeitslosigkeit. Berlin, 1906. Teil I, p. 3. The most thorough discussion of the definition of unemployment is by A. Grünspan, Ueber den Begriff der Arbeitslosigkeit, Soziale Praxis 21:692-96, Feb. 29, '12.

From these unemployed persons must be distinguished the unemployable, who, on account of old age, sickness, laziness, weak-mindedness or other personal characteristics, are not able or not willing to work, and therefore have ceased temporarily or permanently to be wage-earners.

The extent of unemployment has never been accurately determined in any country;

New York, Report of Commission on Unemployment, 1911, p. 27; Webb, Public Organization of the Labour Market, p. 163; Rowntree and Lasker, Unemployment, p. vii; Sargent, Bulletin U. S. Bureau of Labor, No. 109, p. 6. Rowntree and Lasker have made the most intensive study of unemployment that has been made up to this time, but it is confined to one city and to the unemployment which was found on one day of the year.

This failure is due to the practical difficulties of computing the number of days of work lost by each employe; but even if the enumeration were complete, the total or the average of the days lost in the different kinds of unemployment would be a mixture of quantities very disparate as to causes, effects and the forms of control which are needed.

Beveridge, Unemployment, p. 27.

Crude indications of the extent of unemployment in the United States have been secured by a number of periodical and special investigations

United States Census Reports of 1890 and 1900; United States Commissioner of Labor, 18th Annual Report, 1903; United States Geological Survey; American Federationist, 1899-1909; Massachusetts, Census Reports of 1885 and 1895; Massachusetts, Labor Bulletins, 1908-date; Massachusetts, 32d Annual Report of Statistics of Labor, 1901; New York, Bulletins of Department of Labor, 1897-date; Rhode Island, Census of 1908. There is considerable material, also, in the reports of the various state bureaus of labor statistics. The best recent summary of the statistics of unemployment is in Sargent, loc. cit. pp. 5-34; from which the general conclusion has been drawn that there are at all times of the year some unemployed persons willing and able to work even when employers are in need of help, and that this number increases greatly in certain seasons and in years of depression. The New York Commission on Unemployment estimated that in New York in years of ordinary prosperity 3 per cent of the wage-earners usually employed are out of work, that in the winter months this increases to 8 or 10 per cent, and in years of depression to from 15 to 30 per cent.

New York, Report of Commission on Unemployment, 1911, p. 27.

It is not possible to generalize for the entire United States from this information; the nearest approach to equally accurate federal statistics is to be found in an investigation, conducted in 1901 by the United States Commissioner of Labor, of families selected from thirty-three states according

to the industrial importance of the states. Here it was found that of 24,402 heads of families with wages or salaries not over \$1,200 a year, 12,154 (49.8 per cent) were unemployed during some part of the year, and that their average period of unemployment was 9.43 weeks.

United States, 18th Annual Report of Commissioner of Labor, 1903, pp. 41-46. It should be noted, however, that this is not a statement of unemployment as defined above, but includes unemployment due to sickness, old age, strikes, etc.

In the absence of accurate statistics, the extent of unemployment is indicated crudely by the report that of the many complaints made by workmen in the steel industry, none were so frequently repeated or so strongly made as those in regard to the irregularity of employment.

United States, Report on the Condition of Employment in the Iron and Steel Industry, 1913. Vol. III, pp. 21, 205.

Moreover, it is impossible to determine statistically whether unemployment has increased or decreased during the last half century, for there have been no statistics that could be used for comparative purposes previous to 1900 in the United States.

A study of the development of unemployment has been made on the basis of English statistics, which show that unemployment decreased slightly in England from 1860 to 1885, and increased slightly after 1885. G. H. Wood, *Some Statistics Relating to Working Class Progress Since 1860*, Journal of the Royal Statistical Society, 62:640-48, '99.

The effects of unemployment on the individual, his family and society in general, can hardly be exaggerated. Adequate performance of social duties presupposes regularity of employment and to the problem of irregularity of employment almost all other social problems are intimately related. But the psychosis of unemployment is not conducive to the performance of what are ordinarily known as social duties. Unemployment is a shock or crisis

In one of its phases unemployment is an illustration of Huxley's statement that "the sense of being useless in the world is the greatest shock the human system can receive." Quoted in the *Survey* 31:156, Nov. 8, '13.

and is a point at which the accustomed habits and standards of morality and industry prove inadequate, particularly when it is long continued or frequently repeated and when consequent to it there is a partial or total failure of the means of support. Consequently the unemployed tend to have a characteristic mental attitude either of revolt against the system in an organized or an unorganized way, or of cessation of effort and acceptance of the situation in a helpless, supine fashion. Many of the revolutions of modern times would have been impossible except for the unemployed; it is significant that the motto of the French revolution was "The Right to Work," that the unemployed began the street fights in the revolution of 1830, that the revolutions of 1848 followed immediately a world crisis, and that the Paris Commune of 1872 was in the most intimate connection with unemployment. The undigested and radical demands made in 1893 by Coxey's Army and the demonstration of the unemployed under Morrison I. Swift in Boston in 1908 show similarly what may be the outcome of such a crisis.

Massachusetts Labor Bulletin, 56:58-62, Feb., '08.

It is easy for the unemployed man to become a socialist and the socialist theory expresses this revolt against unemployment. When the revolt against the system is not organized, unemployment may simply lower the border of vagrancy, theft and other crimes;

Alice W. Solenberger, *One Thousand Homeless Men*, pp. 139-55.

It is reported that in the great industrial centers of Germany and in St. Petersburg prostitution increases and decreases directly as the amount of unemployment.



Blaschko, Conference internationale de Bruxelles, Enquêtes I:676; Stürmer, *Die Prostitution in Russland*, p. 76.

These divergent habits are to be explained not by the absolute impossibility of existence otherwise, but by the imputed increase in adequacy of the new methods of conduct, due both to the inadequacy of the old methods and to the stimulations to the formation of new habits.

The lodging houses, saloons and general environment of the homeless men, as Mrs. Solenberger has pointed out, are important factors in the personal deterioration of the unemployed; this applies, also, to the unemployed who are not homeless. It is reported that one of the boys in the gang which murdered Guelzoe in Chicago in 1912 had never met the gang until in an out-of-work period five days before the crime; as soon as he reached the penitentiary after conviction he wrote his mother: "If I had not been out of work I never would have gotten into this trouble." Graham Taylor, *Chicago City Club Bulletin*, 5:53-54, March 11, '12.

The unemployed may, on the other hand, cease to struggle against the system, and accept it in an unenergetic, helpless, depressed fashion; at first unable by repeated efforts to secure work, they come to refuse work when it is offered; their physical fitness for work, their skill and habits of industry become either intermittent or entirely lacking.

United States, Report on Conditions of Employment in the Iron and Steel Industry, Vol. III, p. 380.

and they drop into the class of casual laborers or unemployables.

Solenberger, op. cit. pp. 139-55; Rowntree and Lasker, op. cit., 94-137, 172-93.

for "nothing degenerates from lack of use faster than the capacity to work."

Unemployment has, also, more overt effects due to the inability to secure a satisfactory substitute for the labor of the breadwinner. The standard of living of the unemployed and those dependent upon them is lowered, frequently to the point of physical suffering,

New York, Report of Commission on Unemployment, 1911, p. 9.

as is evident from the applications for assistance from charity organizations, bread-lines, municipal lodging houses and similar institutions, for some of which unemployment is the sole cause of existence, for others the most important cause. Unemployment is recorded as the principal cause of distress in the New York Charity Organization Society in 29 per cent of its cases in the fiscal year 1908-09, in 22.5 per cent of its cases in the year 1904-5, and in the Chicago United Charities in 20 per cent of its cases in the year 1911-12.

New York, Report of Commission on Unemployment, 1911, p. 28; James Mullenbach, *Chicago City Club Bulletin*, 5:49; March 11, '12. See, also, G. Kleene, *The Statistical Study of Causes of Destitution*, Pub. of American Statistical Association, 11:273-85, Sept., '08, for a criticism of the methods of comparing the causes of destitution and a chart showing the relative importance of unemployment as a cause of distress.

The shiftless and irrational methods of expending incomes, to which in some cases this distress is related, may be attributed in part to the fact that it is exceedingly difficult to make plans for future expenditures because of the uncertainty of income and irregularity of employment.

United States, Report on the Conditions of Employment in the Iron and Steel Industries, Vol. III, pp. 21, 205. The effect of unemployment on the family budgets in York is shown by Rowntree and Lasker, op. cit., pp. 222-58.

The unemployment of the men forces their wives and children into sweated or other labor, the children are left without adequate technical or moral training, and tend to develop without the acquisition of skill, to enter



"blind-alley" occupations, and finally to become casual laborers, criminals or vagrants.

New York, Report of Commission on Unemployment, 1911, p. 9; Rowntree and Lasker, op. cit., pp. 7-16.

The presence of the unemployed in the labor market is an important factor in the determination of the wages of those who are employed. Moreover labor is a perishable commodity, and a day's unemployment represents a direct loss of a day's labor; in this way millions of days of labor are wasted every year in the United States. In short, unemployment is of very great importance because of the direct loss of labor power and the indirect loss due to its depreciation, because of the direct physical and psychical suffering, the loss from crime and vagrancy, the investment in charitable and correctional institutions, and the neglect of the children and their consequent inefficiency, as well as because of the mental attitudes which are found in the unemployed. Therefore, supreme social importance must be attributed to the attempts to solve the problem of unemployment.

In the past there has been a variety of attitudes toward unemployment; in the American colonies the unemployed person was frequently classed as a vagabond and was subject to specified penalties.

See, for example, Henning, Virginia Statutes-at-Large, IV:208-09.

Unemployment has very generally been regarded as an individual misfortune, which should be treated by charity. though in some cases public assistance in finding employment has been sufficient to disfranchise the recipients.

In England until 1905 the person who registered at the public employment exchange was disfranchised. In Massachusetts any person other than a veteran of the civil war who receives public aid is disfranchised. This seems to be a mixture of charity and punishment, which, except in importance, is not unlike the Virginia Act of 1755, which ordered that a workhouse be built for the "unemployed poor," but decreed that those who received assistance in it wear colored badges. Henning, op. cit., VI:75-78.

The Wall Street Journal in 1911 referred to unemployment as an inevitable and desirable restriction on the cost of production.

This view that unemployment is necessary in order to regulate wages and population is the classical economic doctrine. See J. Lipowski, *Die Frage der Arbeitslosigkeit in der klassischen National-oekonomie*, *Zeitschrift für die gesamte Staatswissenschaft*, 68:583-657. Heft 4, '12.

And it has been recognized as a source of danger to those in power, which may, however, be removed by sops. Such attitudes have expressed themselves in various policies of the state or of particular groups or institutions within the state, for relieving the distress of the unemployed by gifts of money, or, in an unorganized way, for finding work for them. Only recently, however, has unemployment come to be looked upon as a problem of the industrial organization. This is because, as a continuous and widespread condition of wage-earners, it is essentially modern. Previous to the industrial revolution wars, crop failures, extortionate taxation and "Acts of God" frequently, indeed, caused idleness and deprived the serfs, slaves, craftsmen, merchants and other classes of the population of their opportunities to make a living; but that was not characteristically an unemployment of wage-earners, for in that domestic economy, even after the abolition of serfdom and slavery, wage-earning did not become extensive. This was because large-scale production had no advantage over small-scale production, for there was little perceptible difference between capitalistic and domestic methods of manufacturing, the same tools were used in both methods and the work was generally carried on in the home, though there were a few factories.

W. Sombart, *Der moderne Kapitalismus*, I:405.

Production was for the sake of relatively local and immediate consumption, markets were small and frequently intermittent, and there was, therefore, no profitable disposal of large outputs. In fact, a system which made it possible for the workers to own the products of their labor was better adapted to those conditions than a system of wages for making products for an employer. In so far as a wage-earning class had developed, it retained a close contact with the soil, so that it was not deprived of all means of livelihood even if the employment ceased. They were further safe-guarded against unemployment by customs and by such legislation as the requirements that employes should be engaged for not less than a year,

Cunningham, *Growth of English Industry, Modern, Part I*, p. 29.

and that employers should bear the risks of loss when trade was cut off rather than throw their employes into enforced idleness,

Cunningham, *op. cit.*, p. 295.

and by the official opposition to and restriction of the introduction of machinery.

In 1623 James prohibited the use of machines for making needles, and Charles would not permit the use of brass buckles because "those who cast the brass buckles can make more in one day than ten of those who make the iron buckles can do." *Ibid.*

Under modern conditions unemployment has become inherent in the industrial system as a result of the machine process and, consequent to that, the factory system and large-scale production. The mechanical inventions of the last quarter of the eighteenth century and the substitution of large power-driven machinery for tools and human labor made the former domestic methods of manufacture unprofitable. Consequently, the independent labor used previously in domestic production necessarily became dependent on employers for the means and opportunities of employment. Substantially the same thing occurred in transportation, while in agriculture the machinery enabled a smaller proportion of the population to produce the necessary food supplies and thus released a larger number of workers for manufacturing and transportation, thus increasing still more the proportion of wage-earners to the entire population. Not only was this class which was subject to the modern form of unemployment greatly increased in number, but because of the changed industrial conditions the unemployment became a necessary result of the industrial system at its present stage of development. The machinery made possible and necessary an extensive division of labor and specialization of processes, so that one individual could no longer have at hand in his own home several alternate occupations. The factories necessary for the use of the machinery were located with reference to power, raw material and markets; around these the employes gathered. This differentiation of town and country removed the wage-earners from contact with the soil, and when employment for wages ceased, there was ordinarily no other source of income. At the same time the factory system made personal relations between employers and employes increasingly difficult. The large scale production made it necessary to prevent all unprofitable expenditures; the pecuniary gains of the business men became the motivating forces in the new industry. Therefore, whenever the labor became unprofitable either temporarily or permanently because of changes in demand or in the conditions of production, it was necessary to dispense with it, and this could be done the more readily because the employer had no capital invested in labor. Moreover, in the large market, when production continued to be individualistic, the producer could not be intimately in touch with the demand; but the demand in this new industry has not retained its former stability and comparatively unvarying character, but has become subject to sudden and unexpected fluctuations. This difficulty of estimating the demand, together with the increased dependence on money and credit, make possible the somewhat periodical depressions which inevitably involve a great amount of unemployment.

Along with these industrial changes have gone changes in social policy. The personal restrictions of the seventeenth century became exceedingly



galling and entirely inadequate to control the situation. Therefore, the policy of laissez faire was adopted, the enlightened self-interest of the individual was considered sufficient to enable him to provide for himself, and the resulting good of each was considered to be the good of all. As a result of this attitude unemployment was permitted to develop in the modern industrial system.

Since it has become clear that unemployment is inherent in the industrial system as at present organized, and that the laissez faire policy is no more adequate in the control of this situation than the old personal restrictions were, social control has become necessary, with the purpose of a constructive modification of the industrial organization which will prevent and alleviate unemployment. Out of this situation there has developed a constructive social program relating to unemployment, and there has been an increasing consensus of opinion that some or all of its items are required.

This program is stated essentially as here by Webb, Public Organization of the Labour Market; Beveridge, Unemployment; Rowntree and Lasker, Unemployment; Baab, Zur Frage der Arbeitslosenversicherung, der Arbeitsvermittlung, und der Arbeitsbeschaffung; Adler, article "Arbeitslosigkeit" in Conrad's Handwörterbuch der Staatswissenschaften; and in general in the bulletins and general reports of the Association internationale pour la lutte contre le chômage.

It is proposed that unemployment during depressions could be prevented by postponing some of the public works and government contracts until such depressions begin.

Dr. Bowley has estimated that in England for this purpose it would be necessary to postpone yearly about 3 or 4 per cent of the government contracts. Webb, Prevention of Destitution, p. 113.

It would be possible, for instance, to postpone some of the work on public buildings, ships, roads, materials for the army and navy, printing of government documents and afforestation. It is affirmed that this method would differ essentially from the relief works which were formerly prevalent in paying not less than the ordinary rates of wages, in hiring help because it was efficient rather than because it was unemployed, and in stimulating those occupations which would cause employment to ramify through the entire industrial system. But since it is maintained that even in years of ordinary prosperity there is a surplus labor supply, it is proposed further that this be absorbed by prohibiting any gainful work by children under fifteen years of age, by requiring children in industry between the ages of fifteen and nineteen to devote half time to labor and half time to industrial training, by furnishing widowed mothers of young children sufficient public aid to support them on condition that they devote their entire time to the training of the children, by reducing the hours of labor in certain occupations, and by decentralizing town populations.

Rowntree, especially, has urged the decentralization of town population; this would involve provisions for facilitating the removal of families from the city and their settlement in agriculture, and also an alteration in transportation rates or the transportation system, so that it would be possible for industrial workers to live in the country near the cities, whereby they could make a part of their living from the soil. For the success of this policy in Belgium, see C. Pône, Les abonnements d'ouvriers sur les chemins de fer et leur action sur le marché du travail, Bulletin de l'association internationale pour la lutte contre le chômage, 2:443-50, July-Sept., '12; Rowntree and Lasker, op. cit., pp. 262-89.

For the unemployment that remains, it is proposed that there be a system of benefits or insurance against unemployment, either conducted, subsidized or encouraged in some other way by the government. The unemployed who are capable of forming or reforming habits of work should, it is affirmed, be maintained under training. Finally it is proposed that the public employment agencies or exchanges play a very important part in this program.



The terms "agency," "office," "bureau," and more recently "exchange," have been used in designating this institution. There is no essential difference in the terms, though it has been urged that "exchange," which is the prevalent usage in England, be adopted more generally in the United States, because of the inputted similarity of this institution to exchanges for commodities such as grain and lumber. The term "agency" will be used in the present study, however, because that is the most prevalent usage, and in order to avoid the impersonal connotation of "exchange." It may be noted, also, that the term "labor exchange" is used occasionally in the United States to refer to the co-operative institution in which commodities are exchanged for a standard labor-check. See, for instance, Missouri, 20th Annual Report of Bureau of Labor Statistics, 1898, pp. 198-212.

The public employment agency is an institution managed or supported by a public body for the purpose of enabling employers desiring help to meet employes desiring work, and thus of equating so far as possible the demand for and the supply of labor within its area of operation. Its problem is, thus, the organization of the labor market.

Without assuming the validity of this general program or attempting to substantiate it, the purpose of this study is to inquire more specifically into that part of the program relating to public employment agencies, especially in the United States. In this inquiry the following points will be considered: (1) the function which is assigned to the public employment agency by its advocates; (2) the extent to which this assigned function is now being performed by employment agencies, both public and private, in the United States; (3) the possibility of performing this assigned function in the United States in view of the situation in which such agencies would operate; (4) the relation of employment agencies, operating according to this assigned function, to social problems other than unemployment. The underlying purpose of this study is, first, to raise the question of the extent to which there is a scientifically determined policy which will justify the United States, or a state or city within the United States, in establishing public employment agencies, and of the extent to which this policy is merely a clue, not scientifically determined, which may be used in experimentation:

This difference between a policy as scientifically determined and a policy as a clue for experimentation is not posited as absolute, but merely as a difference in degree of certainty in regard to the policy. Any scientifically determined policy is necessarily hypothetical and subject to modification on actual application; but it is assumed to have greater validity because of the more elaborate and complete investigation of the policy in its relation to the general social situation. This does not mean that a policy which has not been scientifically determined should not, on that account, be advocated under certain conditions.

Secondly, to point out some factors which should be taken into consideration in the formation of policies and in the actual operations of public employment agencies, whether they are established on a scientific basis or merely as experiments; thirdly, to attempt to determine whether there is any fundamental reason for the previous failure to organize the labor market, which might render further development impracticable.

## CHAPTER II.

### THE FUNCTION ASSIGNED TO THE PUBLIC EMPLOYMENT AGENCY BY ITS ADVOCATES.

The function assigned to the public employment agency by its advocates

The advocates to whom reference is here made have expressed their attitudes in such reports as that of the New York Commission on Unemployment, the section on Unemployment of the American Association of Labor Legislation, the Wisconsin Industrial Commis-

sion, the Conference of State Immigration, Land and Labor Officials, and in some of the reports of the free public employment agencies in the United States. The policy is stated much more explicitly, but with essentially the same content, though with differences in points of emphasis, by such European authorities as Webb, Beveridge, Rowntree and Lasker, and by various writers in the bulletins and general reports of the Association internationale pour la lutte contre le chômage.

A more particular function than that here indicated has been assigned to the public employment agency by the Massachusetts Commission to Investigate Employment Offices, 1911, which urges both that the public employment agency should not attempt to compete with the non-public agencies or to duplicate their efforts, and also that the "true function" of the public employment agency is to assist in securing employment for "those who are unskilled or not yet skilled; those who are engaged in interstate, seasonal or casual employment; the immigrant, the youth or the aged." Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 97. Evidently, however, if the public employment agency performed this "true function" it would thereby be competing with the non-public agencies and duplicating their efforts. This assigned function, moreover, appears to have been determined not with a view to the solution of the problem of unemployment, but rather with a view to the protection of the most helpless classes of the unemployed, and thus would make the employment agency an eleemosynary institution. Consequently, no account is taken of this type of advocates in the present study, though it is not assumed that this function is, therefore, invalid.

is the organization of the labor market.

The phrase "organization of the labor market" has been used by Webb to designate the objective of the entire program for dealing with unemployment. See Webb, *Public Organization of the Labour Market*. It has been used by others, however, to refer to the work to be done by the public employment agencies, and it is in this latter sense that it is used here. See Beveridge, *op. cit.*, p. 198.

To organize the labor market is to bring together into one center or system of co-operating centers all demands for and supplies of labor; this means the centralization and unification of the means of securing employment; it means an institutional facilitation of controlled mobility of labor on the basis of complete and continuous information for the present aimless wandering in search of work, either within a locality or from one locality to another. This implies the elimination of the distinct, disparate, competing and non-communicating centers in which demands and supplies are now represented. This institutional organization of the labor market would not only assist a workman to secure employment in his regular occupation, but would enable him to meet for bargaining purposes the employers in other industries; thus it would mean an inter-industrial organization with reference to the continuous employment of labor which would be comparable with the concatenation of processes which has developed between different establishments with reference to the profitable production of commodities.

T. Veblen, *Theory of Business Enterprise*, pp. 20-65.

This inter-industrial organization of the employment of labor would thus supplement the industrial organization, in which the employment of labor is merely a means to pecuniary gain for individual establishments, and would be made by the state, since the industrial establishment has no sufficiently direct and vital interest in the continuous employment of labor to lead it to make such adjustments. Thus it is expected that the public employment agency will do for the labor market what has been done for the fruit market by the fruit exchange, which receives the fruit from the growers and distributes it to the market in such a way as to prevent a glut



in one community and an inadequate supply in another. The public employment agency has frequently been compared with the grain exchange, also, and it is pointed out that definite indications of the supply of grain are secured for the United States Department of Agriculture by correspondents in 35,000 counties and townships, though similar information in regard to labor is generally lacking.

For an example of such a comparison see United States, Annual Report of Commissioner of Immigration, 1910, pp. 239-40.

For the individual workman this organization of the labor market means the possibility of reduction of the period between engagements, a concatenation of engagements, or a dove-tailing of his employments, so that he can pass immediately from one engagement to another, if there is another position which he can fill within the area of operations of the public employment agency or the system of which it is a part, for the center in one locality is, in an organized market, merely a unit in a system of co-operating centers which covers the entire state, district or nation.

It is not expected that the public employment agency would immediately, or perhaps even at any time in the future, perform this function completely; but nevertheless it is desirable to consider the requirements of the perfect performance of this assigned function by the public employment agency. In order to perform this function of organizing the labor market perfectly, it would be necessary for the public employment agency to secure information in regard to every available position and every available worker within its area of operations. In order to secure complete information in regard to demand and supply, it would be necessary that no position which might be filled should fail to be listed in the public employment agency. Consequently the practice of hiring workers on their personal application would have to be entirely discontinued, and employers would have to agree or be compelled to secure workers only through the employment agencies, for there would appear to be no other method of making wandering in search of work unnecessary and unprofitable than to make it impossible to secure employment in that way.

The suggestion that employers discontinue hiring workers on personal application has been made most explicitly by Baab, *op. cit.*, pp. 257, 293-94; Webb has suggested the necessity of making the use of public agencies compulsory in hiring casual labor, and the obvious implication of his claim that wandering in search of work would be rendered unnecessary by the establishment of public agencies is that he would generalize this compulsion for all kinds of labor. Webb, *Public Organization of the Labour Market*, pp. 254-55, 265.

Moreover, the complete organization of the labor market would require the attainment of information, whenever possible, far enough in advance of the actual demand for labor or for employment to enable the worker to pass from one occupation to another without loss of time. Thus the worker would register at the public employment agency, not after he became unemployed, but before he was dismissed from the previous engagement,

This is done somewhat extensively in some of the German agencies, as is evident from the fact that of 22,468 persons who registered in the Freiburg agency in 1906, 34.3 per cent were employed at the time of registration. Beveridge, *op. cit.*, p. 245.

and the employer would make his application for help in advance of the time when it was needed, so that neither employer nor worker would suffer loss because of the lack of adjustment, and so that the agency might be given time in which to make the adjustment. In order that this advance information could be given, it would be necessary, further, that the employer inform the employes before they were dismissed, and that the employes inform the employer before they stopped work.

This requirement is already in force for a restricted class in South Carolina. *American Labor Legislation Review*, p. 2:490, Oct., '12.



The complete performance of this function would require, also, a change in the relationship of public and non-public employment agencies. There is a large class of philanthropic employment agencies which would gladly cease operations if any adequate substitute were established. The advocates of public employment agencies have attempted to secure the co-operation of trade unions and employers' associations, and in many cities, especially in Germany, these organizations have incorporated their agencies in the public agencies and have assisted in the management of the combined agency. But in order that there be one recognized center in the labor market, in which all demands and supplies be represented, it would be necessary that the other non-public agencies, which neither discontinue operations nor become incorporated in the public employment agency, either co-operate with the public agency so that they would thus be eliminated as distinct centers, or else be completely abolished. These non-public agencies might be eliminated as distinct centers by reporting to the public agencies the demands and supplies of which they secure information, though it would not be necessary to make these reports so specific as to invalidate their own operations entirely. For instance, the Wisconsin Industrial Commission contemplates a bulletin which will give information in regard to the entire labor market of the states—this information to be secured from all possible sources, including the non-public employment agencies.

Bulletin of Wisconsin Industrial Commission, 1:220-21, Aug. 20, '12.

But it has been urged, also, that the non-public employment agencies, especially the private agencies, should be completely abolished in the entire labor market, and the public agencies given a monopoly.

Baab, op. cit., 257, 293-94; Loi du 14 mars 1904 relative au placement des employés et ouvriers des deux sexes et de toutes professions, Bulletin de l'office du travail, France, 11:253-54, March, '04.

that they be restricted to those communities in which public agencies are not located.

A. Schiavi, Rapport général No. 2 sur la question du placement, Compte Rendu de la conférence internationale du chômage, 1910. Vol. III, p. 10.

and that they be completely eliminated from the casual occupations.

Webb, Public Organization of the Labour Market, p. 341.

In general the advocates of public employment agencies look to the final abolition of the private agencies, except some agencies which have been established for particular classes, such as nurses or teachers.

Schiavi, *ibid.*

Moreover the perfect performance of this assigned function would make it necessary for the public employment agency to be a part of a system of public agencies, which in the United States would preferably be a national system. Through these agencies the unemployed in any locality would have access to information in regard to available positions in all other localities in the United States, and particularly the unemployed in the city would have information in regard to positions which they might secure in the smaller towns and open country. Thus the first prerequisite of increased mobility of labor would be adequate and definite information in regard to where to apply for employment.

But it would be necessary, also, for the successful operation of this proposed policy that the workers be assisted in going to other localities in which work was reported to be accessible, either by securing reduced rates on the railways, advance payment of wages or loans from the state.

The breaking-up of the distinct centers in the labor markets is expected to facilitate the passage of workers from one occupation or one trade to another, since these workers would have access in this common center to opportunities in all trades. It has been proposed that this inter-occupational mobility be increased by having the worker equipped with the technical skill of two or more trades or occupations, in order to increase the possibility of dove-tailing occupations.

Devine, *Misery and Its Causes*, pp. 126-28.

Thus the establishment of a central agency is expected to increase the mobility of fluidity of labor, and this mobility is expected to be both inter-occupational and inter-communal.

This organization of the labor market would require, also, the restriction of entrance into certain casual occupations to those casual workers selected by the agency for that purpose. This would make it necessary to register a sufficient number of casual workers in a community to perform the casual work of that community, to drain off the pools of unnecessary casual laborers now continually underemployed, and thus furnish regular and continuous work to the registered casual workers; this is the process of decasualization of labor.

The English authorities have emphasized this function of the exchange more than the writers in other European or in American countries. See, for instance, Webb, *op. cit.*, pp. 260-64.

Finally, it would be necessary to protect the labor market against sudden and unregulated increases in the supply of labor by an adequate control of immigration on the basis of the demand for labor of the kind offered, for a definite control of the distribution of labor could not be secured unless there was also a definite control of the supply of labor. The regulation of immigration would make necessary a co-operation between the system of employment agencies in the United States and similar systems in foreign countries from which immigrants come.

H. P.-Fairchild, *The Restriction of Immigration*, *American Journal of Sociology*, 17:641-46, March, '12.

It is assumed that the remainder of the program for dealing with unemployment

As outlined above, pp. 101-102.

depends on the public employment agency. First, the public employment agency is expected to reduce unemployment to a minimum before other measures are set into operation; it would appear to be a very inefficient program, from the standpoint of the advocates of these agencies, for benefits to be paid to the unemployed, when they might be employed if they had information in regard to the opportunities for employment. Secondly, it is assumed that the public employment agency is the necessary test of the impossibility of finding work. In order to administer a system of insurance against unemployment, it would be necessary to have other information in regard to the impossibility of finding work than the statements of applicants for benefits. In order to determine when benefits should be commenced and when they should be discontinued, it would be necessary to have complete and continuous information in regard to the demand for labor. Thirdly, the state would be unable to adjust its contracts, to commence or discontinue public works for the purpose of levelling or regularizing the demands for labor except on the basis of such statistics of the extent of unemployment as would be furnished by the reports of the successful public employment agencies. These reports are expected to be a delicate test of the necessity for state action in increasing industrial activities to prevent depressions. Finally, the decasualization of labor would be impossible except by means of an administrative control of the distribution of casual labor which would confine the casual work to a sufficient number of registered casual laborers to enable them to secure continuous employment.

Because of this dependence of the rest of the program on the public employment agency and the inherent importance of reducing unemployment to a minimum by employment in regular industrial enterprises, it is assumed that the establishment of the public agency is the first step in the solution of the problem of unemployment.

This policy does not assume that the public employment agency in itself would be a complete solution of the entire problem of unemployment, for it sets up a much more general program, in which the employment agency is only one, though the basic, element. It is not expected that the public



employment agency would make work for the unemployed, but only that it would enable the unemployed to get in touch with the existing opportunities for employment, of which, in many cases, they would otherwise be ignorant. Thus the employment agency would remove the factor of ignorance and lack of definite and accurate information from the problem of unemployment.

This factor is, however, accounted as a very large and important element of the problem. It is denied outright that there is any general surplus of labor, in the sense that there is permanently in a country a larger number of workers than there are at any time opportunities for employment.

Beveridge, op. cit., pp. 4-15.

Moreover, it is claimed that in years of depression the actual output of commodities, in terms of tale and weight, is not greatly increased and that there are very many opportunities for employment which, because of ignorance, are not utilized, because laborers are confined to certain occupations and to certain cities or even parts of cities. And in regard to seasonal fluctuations, it is the assumption that occupations could be made to dovetail almost completely if there was an adequate method of securing and distributing information, and, on the basis of this information, of distributing the labor supply. Consequently, it is the basic assumption of this policy that unemployment is due principally to maladjustments of supply and demand at any one time, and that what appears to be a surplus of labor in certain years or certain seasons is largely due to the failure on the part of the employes to secure the opportunities for work which actually exist. No one has attempted to make a numerical statement of the proportion of unemployment due to this maladjustment, but it is evident that the emphasis is placed on this factor.

This is the ideal which has been developed on the basis of the actual experience of employment agencies in Europe and other countries, and the theoretical consideration of the situation with which these agencies are expected to deal. It is this ideal which is presented to the person who is seeking information in regard to methods of dealing with the problem of unemployment, and on that account the present study is confined principally to a consideration of this assigned or ideal function rather than the functions actually performed by the European agencies, for the agencies are for the most part far short of this ideal. This ideal, moreover, is the expression of the experts or leaders in the attempt to solve the problem. Consequently, this assigned or ideal function, which the leaders have recognized as in part utopian so far as immediate realization is concerned,

Beveridge, op. cit., p. 198

will be used as the basis of judgment of the functions actually performed by existing agencies in the United States, after which a critical study of this ideal will be attempted.

### CHAPTER III.

#### The Actual Functioning of Non-Public Employment Agencies in the United States.

In the earlier and simpler industrial system the towns were small, industry, was relatively stable, and it was possible for the individual to have fairly complete information in regard to the restricted labor market without institutional assistance. But with the increase in the area, complexity and instability of the labor market, there is no adequate opportunity for the laborer by his own efforts to determine the demands for his labor, even in territory contiguous with his dwelling or his place of work. Nevertheless, the older methods of finding employment are still the principal methods, for the technique of the eighteenth century labor market has been carried over with little modification into the labor market of the twentieth century. Notwithstanding the demands for organized and systematized information in regard to the labor market and the immense social importance of regular



and continuous employment, the method of finding employment is one of the purest survivals of the peddling and hawking economy, while practically all other commodities are sold in well-known markets.

Beveridge, *op. cit.*, pp. 197-98; G. Haw, *From Workhouse to Westminster, The Life Story of Will Crooks*; Wyckoff, *the Workers*; Solenberger, *op. cit.*, pp. 139-55; Devine, *Report on Employment Bureau for New York*, pp. 22-24.

Even in European countries in which the business of placement has been much more thoroughly systematized than it has been in the United States, the workers depend primarily on informal and personal information in finding employment, and their principal method is to hawk their labor from shop to shop or from factory to factory.

Beveridge, *op. cit.*, pp. 252, 253, 264.

A study of 759 employers in New York has shown that of this number 440 secured help only through the personal application of workers at the plant, while only 292 combined with that method the patronage of various kinds of employment agencies.

New York, *Report of Commission on Unemployment, 1911*, p. 161.

In the United States this evil of indefinite and inaccurate information is increased by the haphazard direction of immigrants into occupations and localities from the correspondence of friends.

F. J. Sheridan, *Italian, Slavic and Hungarian Unskilled Immigrant Laborers in the United States*, Bulletin U. S. Bureau of Labor, 72:407-408, Sept., '07; New York, *Report of Commission of Immigration, 1909*, p. 110.

In hawking his labor the worker is in some cases entirely lacking in direct information in regard to the situation, as the newcomer in a community would be, though even in such cases the applicant for employment has indirect knowledge which he has secured previously in a somewhat similar situation, and is able to transfer his technique. In some cases the applicant for employment has informal and personal information in regard to how to find work; he may secure it from fellow-workmen, friends, strangers on the street, policemen, saloon keepers and others not directly recognized as employment agents. Habits are formed sometimes of applying for work at only one establishment, and thus of limiting the opportunities for work; this practice is prevalent among the workers in such establishments as the steel mills or stock yards in Chicago; sometimes the applicant goes to a regular series of establishments and sometimes he applies promiscuously; cases are reported in which workmen toss up coins to determine the direction in which to start in the search of work.

Beveridge, *op. cit.*, p. 265; see, also, Devine, *op. cit.*, 119-29.

Evidently the method of hawking labor is quite inadequate to give information in regard to the positions actually existent; even if the positions are finally found, there is a great amount of time lost between jobs; and it is a wasteful and expensive method, for it is necessary to travel long distances in search for work on the basis of mere rumors, stray hints and other information which proves to be unauthentic. Such tramping is hard work, produces despair and hopelessness and easily leads to vagrancy.

Solenberger, *op. cit.*, pp. 139-55.

It is an unsatisfactory system for employers, also, since production is delayed, particularly in smaller communities, by lack of labor, and there are at other times crowds of unemployed men loitering at the gates, requiring attention and not being stopped even by signs "No Help Wanted."

Since it has become apparent that the individual workman is not fitted to make these adjustments for himself, various institutions have grown up whose purpose is to supply this assistance. The most important non-public agencies of this type are the philanthropic, the private, the trade union and the employers' associations, employment agencies. Some of these institutions merely use this maladjustment as an opportunity of making profits;

others use it as a means of securing control of the labor supply; and others are more concerned in the solution of the general social problem which is presented by the maladjustment. -

The philanthropic employment agencies

For detailed descriptions of these agencies, see in addition to the reports of the various philanthropic organizations, Devine, op. cit., pp. 109-18, 216-17, 227-31; Kellor, Out of Work, pp. 152-78, 237-45; New York, Report of Commission on Unemployment, 1911, 57-58; New York, Report of Commission of Immigration, 1909, pp. 88-93; Massachusetts, 24th Annual Report of Statistics of Labor, 1893, pp. 81-115; Sargent, op. cit., passim; List of Free Employment Agencies, United States Department of Agriculture, Division of Statistics, Circular No. 13, June 28, 1900.

are those maintained by charitable, religious, national or other associations in the attempt to help applicants of a restricted class in which the association is primarily interested. Neither individually nor collectively do they make organized efforts to solve the problem of unemployment.

The National Employment Exchange in New York City is an exception.

They have thus created a series of distinct and sometimes competing centers, between which there is practically no co-operation. An investigation of sixteen philanthropic employment agencies in Chicago in 1911 revealed the fact that the operations of each of these agencies were entirely distinct from those of other agencies, except that occasionally applicants who were not in the class for which an agency was intended, or applicants for whom work could not be found, were referred to some other agency. The philanthropic employment agencies of Boston planned, in 1893, to establish a central agency, but the plan was not carried out.

Massachusetts, Report of Board to Investigate the Unemployed, 1895, Part V., pp. lii-liv.

As a class, these agencies fail to organize the labor market in accordance with the ideal function assigned to the public employment agencies, because, also, they restrict their operations to one city, and only in isolated cases do they attempt to organize the market in an inter-communal way. They seldom have facilities for determining opportunities for employment in other communities. When there is in a community no demand for labor, these agencies are generally as helpless as the individual who is hawking his labor. There are, however, some exceptions to this generalization. Of the placements made by the manual labor department of the National Employment Exchange in the fiscal year 1912, 58.9 per cent were outside of New York City, and 27.4 per cent were outside of New York State,

National Employment Exchange, 3rd Annual Report, 1912, Table No. II.

but it was able only to secure the positions to which the workers were first sent and could do nothing for them after that engagement ended. A small amount is done by such agencies as the Industrial Removal Office in New York City and the Federated Jewish Societies in Boston in the distribution of Jewish families and single men to other parts of the United States, and the Y. M. C. A. has representatives at Ellis Island, who assist the immigrants in choosing destinations. As a class, however, these philanthropic agencies either do no significant inter-communal placement, or else work only in sending applicants away from the local city and do nothing to keep them employed after they have been sent out. There is no system of agencies which is in touch with a wide area and between which there is constant communication, as is represented in the ideal system of employment agencies.

The philanthropic employment agencies, characteristically, are dealing with the inefficient workers.

Devine, op. cit., 117-18; New York, Report of Commission on Unemployment, 1911, p. 57.

Consequently, employers who desire efficient workers do not send to



such institutions for help. The employers who do patronize such agencies expect to get only inefficient workers and they take advantage of this expected inferiority to secure them at wages lower than the market rate; it is reported that workers were sent out from such institutions in New York at wages of \$5 and \$10, when the market rate was \$25 and \$30.

New York, Report of Commission on Unemployment, 1911, p. 57.

Because of the reputed inefficiency of the applicants and the connection with charity, the efficient workers are not apt to go to such institutions; and when they do secure employment through such agencies, it may become harmful to them, since they are generally shifted into the channels of casual work, and casualization is one of the chief dangers of unemployment. There are many opportunities to get into such casual work, but few opportunities to get out. Moreover, in such work habits are formed which make it difficult for the worker to return to regular employment.

Some of the charitable institutions have realized their inefficiency in dealing with the problem of unemployment, and some of the most prominent philanthropic employment agencies have, on that account, been abandoned. It was for this reason that the three most notable philanthropic agencies in New York City were abandoned—namely, the Cooper Union Labor Bureau, conducted by the Association for Improving the Condition of the Poor, the Employment Bureau of the Society of St. Vincent de Paul, and the Employment Bureau of the United Hebrew Charities.

Devine, *op. cit.*, pp. 13-15, 112-18.

—It was decided that the connection with charity, the lack of capital and the fact that it is a side issue to the real work of such institutions militate against the work of employment agencies conducted by charitable societies and that this work is, therefore, not a function of charitable societies.

Thus the philanthropic employment agencies have been of assistance to some of the unemployed, but they have been of very slight influence in organizing the labor market, because they are not attempting to solve the problem of unemployment, because they have failed to co-operate, because they have restricted their operations to particular classes and thus have become distinct centers in the labor market, because they have restricted their efforts principally or entirely to one locality, and because their applicants have been generally inefficient.

A second kind of employment agencies is that maintained as a private institution for profit. It is particularly important to determine the extent to which these private employment agencies have organized the labor market, both because of the large number of such agencies and the recommendation of the Massachusetts Commission to Investigate Employment Offices, that these agencies "should be regarded as the recognized and proper medium for bringing together the ordinary employe out of employment and the ordinary employer with employment to offer."

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 14.

There has been no study of the history of such agencies in the United States, though it is known that there is a private employment agency in Baltimore, which was established in 1823,

Maryland, 5th Annual Report of Bureau of Industrial Statistics, 1896:69.

and New York City, has had ordinances regulating such agencies since 1835. Neither has there been a comprehensive survey of the number of private agencies in the United States or the number of positions secured by them.

Such agencies have not attempted to solve the social problem of unemployment; they are business enterprises, maintained for pecuniary reasons. Therefore, it is to their interest that unemployment should continue and that it should be necessary for employers and workers to call on them for assistance. Consequently, their methods have been such as to yield them an individual profit rather than to keep the workers steadily employed.



This competitive motive has resulted in the development of these agencies as distinct centers in the labor market. This is seen particularly in the specialization of the agencies. The private employment agencies in Chicago in 1912 and the licensed employment agencies in New York City in 1910 were classified by the inspectors of private agencies as follows:

**Private Employment Agencies in Chicago and New York—Number of Agencies by Classes of Laborers Assisted.**

Type of Agency.	Chicago.	New York.
Domestic servants .....	81	293
Unskilled labor .....	59	53
Theatrical performers .....	41	191
Clerical and mercantile .....	18	21
General labor .....	17	40
Nurses .....	13	24
Teachers .....	8	..
Hotel and restaurant workers.....	6	38
Barbers .....	3	23
Farm and garden laborers.....	..	20
Seamen .....	..	13
European passage workers .....	..	7
Printers .....	1	..
Architects .....	1	..
Choir .....	1	..
Total .....	249	828

Though these two classifications are not entirely comparable, since one deals with private agencies and the other with licensed agencies, which includes some of other types than private agencies, they show some of the lines of classification between the agencies. But they have become specialized in other ways than by occupations. Some agencies are limited principally or entirely to persons of a particular nationality, color or sex; others have a distinct clientele of employers; others have a distinct clientele of employers, built up on the basis of friendship, successful relations in the past or other indefinite characteristic; some mercantile agencies deal only with persons who can command a salary of more than \$1,000 a year. Moreover, such limitations have frequently been compounded; some agencies limit their activities to one sex, one nationality, one part of a city and one occupation. There is in New York City an agency which does nothing except place Servo-Croats on the New York Central and West Shore lines as freight handlers;

Survey 29:283, Dec. 7, '12.

in Chicago the Great Northern Labor Exchange does no work except in placing workmen on the Great Northern and Burlington railways, and in this work gives the preference to foreigners who apply for employment.

These lines of demarcation are not drawn closely in most cases, but they are drawn sufficiently close to create a series of distinct centers between which there is little or no co-operation. Such agencies do not combine to form a central agency, nor do they co-operate except in emergencies when it is necessary to supplement their own efforts in order to fill positions. Thus, it is reported that the Balkan Labor Agency in Chicago has a contract to furnish track laborers for the Northwestern system, and since it is unable to secure enough workers by its own efforts, it has made standing arrangements with several other labor agencies by which, for a part of the fees, they assist it when labor is scarce.

Not only do the private agencies fail to co-operate, but they are often in most aggressive competition; especially is this true of the domestic agencies.

New York, Report of Commission of Immigration, 1909, p. 114.

As a result of this competition some agencies attempt to bind or hold the applicant until a position is found; likewise some agencies have demands

for workers and try to conceal the fact from other agencies until they find the applicants. Thus, it is possible that there may be at the same time persons wanting work and employers who would employ such persons if the adjustment could be made.

The occupational classification of private agencies makes it evident that the great development has been in the field of unskilled labor and temporary employments. In New York about 600 of the 750 private employment agencies are domestic agencies,

New York, Report of Commission of Immigration, 1909, p. 114.

and in Chicago approximately one-third of the private agencies deal almost exclusively with domestic servants. This specialization in the field of temporary positions and unskilled labor is due to the fact that these agencies find the largest profits in placing persons in situations which are apt to be temporary, thereby securing fees more frequently.

New York, Commission on Unemployment, 1911, pp. 11, 56.

Moreover, the agencies have frequently taken means to reduce the length of engagements in order to secure additional fees. This is done, first, by holding up offers of better employment to those already employed. A striking form of this is seen in what is called "stealing men." The agency, in this case, induces men who are already employed to leave their position and accept another position. The International Labor Agency in Chicago, according to the statement of its manager, in the summer of 1911 had fourteen representatives in the field attempting to secure laborers; these representatives went as far as New Orleans and New York; they secured laborers from the mines and factories of Pennsylvania; in some cases by arrangements with interpreters they induced entire gangs to leave work on one railroad and take positions on other railroads in the vicinity. Secondly, some agencies shorten engagements by making arrangements with employers or foremen to dismiss the employes after they have worked for a short time and to hire others; the fees are then divided between the agency and the employer or foreman.

New York, Report of Commission of Immigration, 1909, pp. 118-20; California, 9th Biennial Report of Bureau of Labor Statistics, 1899-1900, p. 73; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 200; Kellor, *op. cit.*, pp. 194-95; 27th Annual Convention of International Association of Officials of Bureaus of Labor, 1911, p. 78.

In Chicago the Chicago City Railway Company, the Rock Island Railway and the George W. Jackson Construction Company asked the assistance of the inspector of private employment agencies in breaking up this custom, for it was demoralizing their labor forces; several of the foremen were fined and discharged for this, and the next year the Santa Fe and the Chicago, Milwaukee and St. Paul Railway Companies were assisted in the same way.

Illinois, 11th Annual Report of Free Employment Offices, 1909, pp. 108, 112.

Private employment agencies differ greatly in regard to the local limitations of their work. Many of them, however, limit their work to a particular locality, and thus it is possible that they may have applicants for positions whom they can not place, though there are many vacancies of the kind desired outside their area of operations. Other agencies do a great deal of work in sending labor outside the city or the state. The following figures show something of the extent of such operations by the agencies for immigrant contract labor in New York: Sixty-one agencies of this type sent out from that city 40,737 men in the period from May 1, 1904, to July 31, 1906, of whom 10,596 were sent to other parts of New York State, 11,597 to fourteen other northern states, and 18,544 to twelve southern states; of the entire number, 55.0 per cent were sent to railroad construction work, 8.5 per cent to coal mines, and the rest to miscellaneous positions; they were sent to 643 different localities, and 92 per cent of them to towns with a population less than 50,000.

New York, Report of Commission of Immigration, 1909, pp. 120-21.



Of the private agencies in Chicago which handle immigrant labor, 68 per cent had no offers of work except at long distances.

Grace Abbott, *The Chicago Employment Agency and the Immigrant Worker*, *American Journal of Sociology*, 14:293, Nov., '08.

But these figures are not in themselves adequate evidence of the organization of the labor market. It is necessary to know also what becomes of these workers. Very few of these private agencies have branches or agents in other communities; they merely find opportunities for employment in other localities and do nothing to keep the workers in employment. Consequently, when the workers finish the engagement to which they are sent, they are left without direction in regard to opportunities for employment, and are compelled to drift back to the cities in which there are agencies, or to wander about without guidance in the search for work. In some states there are laws which limit the activities of the agencies to the cities in which they are licensed, and it is necessary that workers return to those cities before the agencies can do anything to assist them, even though the agencies may know of positions in the localities in which the workers were previously engaged.

New York Statute on Employment Agencies; *National Employment Exchange*, 1st Annual Report, 1910, pp. 24-25.

In addition to these fundamental inadequacies and deficiencies, the character of many of these agencies has been such that employes and employers have refused to patronize them at all, or do so only as a last resort. Miss Kellor decided in 1904 that two-thirds of the private employment agencies were dishonest and fraudulent,

Kellor, *op. cit.*, pp. 40-41. It is not clear whether the reference is here to the private agencies of New York City, or to the agencies in all the cities studied, including Chicago, Boston and Philadelphia, in addition to New York City.

and more recently the Commissioner of the License Bureau of New York City estimated that 60 per cent of the agencies were honest.

Devine, *op. cit.*, p. 13, footnote.

Of thirteen private agencies interviewed in Chicago in 1912, two stated that the reason they did not co-operate with private employment agencies in other cities was that most private agencies were dishonest. The general character of these agencies may be explained in view of the fact that there is little capital required, the clients are frequently changing, are frequently ignorant of the customs and laws, and do not have information in regard to what the agency is doing. The abuses are certainly not found in all agencies, but all agencies suffer more or less from the same reputation, and the abuses and general reputation are factors in their success in organizing the market.

On these abuses, see in particular, Kellor, *op. cit.*, pp. 179-213; United States Industrial Commission, 1901, 15:lxxxv ff.; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 46-138; Sargent, *op. cit.*, *passim*; New York, Report of Commission of Immigration, 1909, pp. 111-28. Many of the reports of the state bureaus of labor statistics also give information in regard to this.

These frauds are of the most various nature. The agencies are known to misrepresent pay, permanency of positions and other conditions of work.

New York, Report of Commission of Immigration, 1909, pp. 80-88, 115-16; Kellor, *op. cit.*, 193-94; Abbott, *loc. cit.*, 14:295.

During the period from May, 1904, to February, 1909, twelve licenses were revoked in New York City for this cause.

New York, Report of Commission of Immigration, 1909, pp. 115-16. The fees are frequently very high, and in fact the contract labor agencies frankly state that they charge whatever they can get.

Abbott, *loc. cit.*, 14:296.

Very complete records have been secured in regard to the operation of the private employment agencies of California; these records show that the fee



which is charged is inversely proportional to the number of positions secured in each month.

California, 14th Biennial Report of Bureau of Labor Statistics, 1909-10, pp. 318-26.

In Chicago the fee is sometimes as high as \$20 when work is scarce, ranges most generally from \$2 to \$6, though in the summer, when most of the workers are employed, no fees are charged, and inducements may even be offered to the workers to accept positions. The average fee charged by the firm of Clapp, Norstrom and Riley in Chicago during the year 1910, according to their records, was \$1.36; however, out of 19,908 positions secured, no fees were paid by 2,658 persons. Though statutes in many states regulate the fees, this has generally been interpreted to mean only the original registration fee paid before a position is secured, and to be in no case a limitation of the right to contract.

Ex parte Dickey, 114 California 234, 77 Pac. 924; case of Hill v. Ohio, reported in Ohio, 32d Annual Report of Bureau of Labor Statistics, 1908, pp. 18-23; Illinois, Report of Attorney General, 1903-4, pp. 277-78; Abbott, loc. cit., 14:295-96; Oklahoma, Report of Attorney General, reproduced in 1st Annual Report of Oklahoma Department of Labor, 1908, p. 174. A lower court in Oklahoma has decided that the fee of \$2 is the maximum charge that can be made in any way, either on registration or subsequently. See, State of Oklahoma v. Welch Employment Agency, June 22, 1911, reported in 4th Annual Report of Oklahoma Department of Labor, 1910-11, pp. 101-02, and International Association of Officials of Bureaus of Labor, 27th Annual Report, 1911, p. 77. Dr. L. D. Clark has objected to the decisions on the ground that the regulation of employment agency fees is not different in principle from the regulation of rates of interest. Bulletin United States Bureau of Labor, 91:936.

Moreover, these agencies frequently accept fees without reference to the possibility of securing positions for applicants,

Kellor, op. cit., p. 188; Abbott, loc. cit., 14:297-99.

and, though these fees can legally be reclaimed if the applicant does not secure employment, the ignorance of the applicants, the lack of efficient inspection in most states, and the long time limits within which the fee can be held by the agency, practically mean that when a fee is paid it is lost unless a position is secured.

What can be done by inspection is seen in the fact that in Chicago fees amounting to \$4,040 were refunded during the year 1910-11 through the assistance of the inspectors and without prosecution. Illinois, 13th Annual Report of Free Employment Offices, 1911, pp. 102, 109. In New York City six licenses were revoked for refusal to refund fees during the period from May, 1904, to February, 1909. New York, Report of Commission of Immigration, 1909, pp. 115-16.

In New York one agency was found which maintained, under another name, a guarantee bureau, from which the applicants were required to secure statements of character, for which an additional fee was paid.

New York, 17th Annual Report of Bureau of Labor Statistics, 1899, pp. 1223-24.

Some agencies have sent applicants to the free employment agencies, charging them a fee for this service,

An employment agency in Virginia sent a gang of laborers from there to Kansas Free Employment Agency, charging for this a fee of \$20 for each person. 11th Kansas, Annual Report of Director of Free Employment Bureau, 1911, p. 3.

and to large firms which were hiring many employees, without direct knowledge of whether additional workers were needed at the time; in this case the agency had nothing to lose and there was a possibility that the applicant might secure a position. Applicants are frequently sent to distant places and

when they arrive find no work and have no funds on which to return to the employment agency.

Abbott, loc. cit., 14:297-99.

These agencies are interested primarily in securing the fees from applicants, and so fail to adjust the applicants to positions, but place them in any available position, even though it is certain that such applicants must soon be dismissed, thus causing trouble both for the employees and the employers.

W. S. Wollner, A Plan of Organization for a Track Labor Department, Railway Age Gazette, 52:494-96, March 15, '12.

They frequently have no knowledge of the kind of positions to which applicants are sent,

New York, Report of Commission of Immigration, 1909, p. 114; Kellor, op. cit., pp. 57-58, 78 ff.

and frequently place applicants in positions in which there is known to be brutal treatment and peonage.

Kellor, op. cit., pp. 207-10; New York, Report of Commission of Immigration, 1909, p. 122. See, also, the case against the Corn Products Company in the Chicago daily papers, December 16, '08.

Both unwittingly and intentionally, sometimes directly and sometimes through their "runners,"

New York, Report of Commission of Immigration, 1909, pp. 114, 118-19.

they place young women in disreputable houses; investigators for the New York Commission of Immigration in New York City and Buffalo, and for the Vice Commission in Chicago found agencies which were willing to send girls to disreputable houses, even when the agencies were informed of the character of the positions;

New York, Report of Commission of Immigration, 1909, p. 118; Report of Chicago Vice Commission, 1911, pp. 218-21.

ten licenses were revoked for this cause in New York from 1904 to 1909,

New York, Report of Commission of Immigration, 1909, pp. 115-16.

and three Chicago agents were prosecuted for this offense in 1911.

Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 102.

Moreover, these agencies are directly and indirectly responsible for vice and immorality by such office arrangements as failure to segregate the sexes,

New York, Report of Commission of Immigration, 1909, 118; Kellor, op. cit., p. 28.

by keeping open until late at night with disreputable characters permitted in the offices.

New York, Report of Commission of Immigration, 1909, p. 118.

by connection with saloons, gambling-dens, fortune tellers, palmists, midwives and similar classes, -

Kellor, op. cit., pp. 21-22, 77, 181-83; New York, Report of Commission of Immigration, 1909, p. 117.

and by conducting agencies in living rooms.

New York, Report of Commission of Immigration, 1909, pp. 114-16;

Kellor, op. cit., pp. 20-26; Abbott, loc. cit., 14:291.

Moreover, their quarters are frequently dark, badly ventilated and extremely dirty and vermin-laden.

Kellor, op. cit., pp. 8, 20-28.

Finally, these agencies have been connected in many ways with the padrones who have assisted in changing the workers frequently from position to position, have secured commissary concessions, have violated the spirit, if not the letter, of the contract labor law, and have misrepresented work conditions.

G. C. Speranza, Charities, 11:26-28, 1903; G. C. Speranza, in 3rd General Report of New York Department of Labor, 1903, pp. 199-203; Survey, 29:283, Dec. 7, '12; New York, Report of Commission of Immigration, 1909, pp. 115-16, 121-28.

There has not been great success up to this time in preventing these abuses in the private agencies; only eighteen states have any legislation for this purpose, and of these states less than half have any inspection for the purpose of enforcement of the law. The state regulations are supplemented somewhat by municipal ordinances and police control. The system of control has been especially inadequate in regard to the interstate work of such agencies; it is reported that the New York State Bureau of Industries had hundreds of such cases which required federal control.

Frances A. Kellor, Interstate Immigration, Land and Labor Problems, Survey, 29:326, Dec. 14, '12.

Consequently, it may be concluded that the private employment agencies have failed very signally in organizing the labor market, and that a general organization of the labor market, such as is desired by the students of unemployment, would be very foreign to their purpose. They are business enterprises, working for profits, and therefore have found it impossible to co-operate with other private agencies or with other types of employment agencies; on the other hand, they have been in the most aggressive competition in so far as they have been engaged in the same kind of work. They have found it profitable to specialize in a particular kind of work, and have set up various occupational, national or racial, local and other limitations; particularly they have specialized in the field of short-time employments, and have attempted to make engagements as short as possible in order to increase the frequency of the fees. Consequently, they have been centers which are distinct, and thus have divided the labor market into relatively separate parts, between which there has been little communication. They have organized certain parts of the labor market, but it has been done in such a way as to present a series of conflicting and segregated organizations, instead of the one central and all-inclusive institution in which all demands and supplies might be represented. And they have acquired, either justly or unjustly, such a reputation for fraud and dishonesty that general patronage by employers and employes is not conceivable. Moreover, the helplessness of the applicants for employment and the consequent great possibility for fraudulent and dishonest practices have convinced the students of unemployment that the general organization of the labor market can not be expected to result from the private employment agencies.

The employment agencies maintained, either formally or informally, by department stores, typewriter companies, business colleges and saloons are similar to the private agencies in that such agencies are maintained primarily for financial gain, though the gain is indirect and in the form of advertisement or increased patronage. Some of the typewriter companies and business colleges are of benefit to a particular and small group of workers, but the saloons have been subject to much criticism because of the necessity of spending considerable sums of money before positions can be secured. A strike of 7,000 grain handlers in Buffalo from February 25 to May 22, 1899, is said to have been caused principally by the fact that they were forced to secure employment through a saloon.

New York, 18th Annual Report of Bureau of Labor Statistics, 1900, p. 1003.

The cooks and waiters of Chicago made frequent complaints during the winter and spring of 1913 because they were compelled to secure their positions through four saloons, which had become recognized employment agencies, though not operating under that name.

Eight organizations of cooks and waiters in Chicago, after failing to secure relief by appeals to the inspector of private employment agencies, the mayor and the state's attorney, passed a resolution that private employment agencies of any kind be made illegal, and that the state extend



the system of public employment agencies. This resolution was passed, also, by the Chicago Federation of Labor on March 2, 1913, and turned over to the legislative committee of the Federation in order to secure the passage of such legislation.

Such agencies, operating indirectly for financial gain, are very restricted in their importance, are confined to small classes of workers and have been able to accomplish almost nothing in the general organization of the labor market. Moreover, they have made no attempt to solve the general problem of unemployment, but have merely used this condition of the workers as a means of increasing their own profits.

The newspaper "want ads" are another means of organizing the labor market. The manager of the Chicago Daily News stated in 1912: "No employment agency can do more than put the employers and employes in contact with each other, and the newspaper 'want ads' do that." It is, therefore, necessary to determine the extent to which they have succeeded in organizing the labor market, and to interpret them in connection with the general solution of the problem of unemployment.

The profits resulting from this department, both directly from the charges for insertions, and indirectly from the increased sale of the papers, are evidently the explanation for its maintenance. Consequently, co-operation with other agencies would mean the loss of those profits, and co-operation between newspapers and other employment agencies would be expected no more than it would be expected that private employment agencies would co-operate to form a central agency. In St. Louis the newspapers have looked on the public employment agency as a competitor, have charged it the highest rate for insertions, and one paper which had made a contract for about \$100 worth of advertising refused to carry out the contract.

Conner, *op. cit.*, p. 46.

Moreover, these "want ads" are confined to a relatively few occupations; a few trades, clerical positions and miscellaneous odd jobs form the largest part of the legitimate positions offered. Thus, because of the inherent opposition to co-operation with other agencies and the restricted patronage, the "want ads" have been merely another distinct center in the labor market.

These "want ads" are, also, a wasteful and expensive method of organizing the labor market in so far as they are successful. The well-known rushes for positions and the instances in which hundreds of applications are made for a single position show the overlapping and the waste of efforts. This kind of agency does not attempt to control the distribution of labor in an organized way.

The "want ads" do not discriminate adequately between positions offered, from the standpoint of the probable moral effect. Disreputable houses, which can not legally secure the assistance of private employment agencies, can secure help through the newspapers. The inspector of private employment agencies in Illinois has stated that the newspapers are more frequently offenders than the private employment agencies in assisting disreputable houses to secure help.

While a private employment agency in Chicago was being prosecuted in 1912 for sending two girls to a disreputable house, the girls were attempting to find employment. They secured a position through the columns of one of the newspapers, but the position proved to be in a more notoriously disreputable house than the first.

Moreover, the "want ads" do not furnish definite and accurate information in regard to the demand for labor. The "want ads" contain many misleading, vague and "fake" advertisements; a large proportion of the "want ads" in the newspapers are in either an open or a concealed form, merely advertisements of civil service instruction, offers of wares concealed as samples or outfits, "work to be done at home," with a prerequisite that the raw materials be purchased from the advertisers, advertisements for solicitors, canvassers or others who are not offered work for wages but a commission to be paid after the work is done.

Devine, *op. cit.*, pp. 130-58.

It was found that on the average 53.7 per cent of the "want ads" in two of the large newspapers of New York were "fake ads" and the proportion of such advertisements increased as the amount of unemployment increased, and that in the depression of 1908 more than 50 per cent were of this nature.

Devine, op. cit., pp. 135-42.

The employment agencies maintained either formally or informally by trade unions have served to organize the market still further,

On trade union employment agencies, see the constitutions and regular publications of the various national organizations; Devine, op. cit., pp. 159-80; United States, Report of Industrial Commission, 1901, Vol. XVII, pp. lxi and 1-324; E. Stewart, Documentary History of the Early Organizations of Printers, Bulletin U. S. Bureau of Labor, No. 61, pp. 857-1033; Nov., '05; Chicago City Club, Sub-Committee on Labor, Unpublished Report on Trade Union Employment Agencies, 1911.

and the Chicago Federation of Labor, in a resolution passed in 1911, claimed that the trade union employment agencies were "the most extensive and efficient employment agencies in the city." But the trade unions have shown no indication of a purpose to solve the general problem of unemployment in the establishment of their offices. They are interested primarily or exclusively in securing work for their members, and thus of keeping the non-members unemployed; only in the weaker unions, except in emergencies, are non-members assisted in securing positions. The Brewery Workers' Union provides that a local union which furnishes non-union help to employers shall be fined and may be suspended; if there are no unemployed members in the locality it is necessary for the union to secure union members from some other locality.

Constitution, Art. ix, Sec. 18.

As early as 1802 some of the unions required their officers, and within a few years their members also, to take an oath to procure employment for union members in preference to non-members.

Stewart, loc. cit., pp. 867, 943.

and very many of the unions have constitutional provisions that the officials and members must give this same preference to the members of the union, though in actual practice many unions furnish non-members to the employers when members are not available.

Sargent, loc. cit., p. 61.

Some of the weaker unions, however, permit non-union persons to use the trade union employment agencies on an equal basis with members; out of thirty-four unions investigated in New York City, four of the weakest thus permitted the use of their employment agencies by persons not members of the union.

Devine, op. cit., pp. 162, 172-73, 177.

Consequently each union maintains an agency for a very restricted group of workers, and between these agencies there is practically no co-operation; instead of one central agency for the entire labor market, the trade unions have built up a series of distinct and segregated agencies. Not only do these agencies ordinarily restrict their services to their own members, but they are effective only in placing their members in their own trade. They do not attempt, and it seems to be contrary to their general policy to increase occupational mobility.

So long as the trade unions are confined almost entirely to the skilled trades, it is evident that they do not succeed in organizing the general labor market. Certain efforts have been made, however, toward extending unionism to the unskilled laborers. President Gompers, in his report to the Convention of 1912, urged the formation under the American Federation of Labor of a Department of Migratory Labor, and the organization, under its control, of a system of employment agencies.

American Federationist, 19:43-44, Jan., '12.



But it is evident that at the present time the trade unions have had very little success and, in fact, have made very few efforts to extend their movement to the unskilled laborers. Consequently whatever success they have had in organizing the labor market has been confined to a part of the labor market, and has not included the unskilled and migratory workers.

Even for the portion of the labor market in which the trade unions have been established, however, the organization has not ~~been developed far~~, for the employment agency does not appear to be an essential part of the trade union program, in the sense that it is a factor which receives emphasis. The trade unions place much more emphasis on policies which are intended, among other things, to increase the amount of work to be done, or to decrease the supply of labor, and thus to decrease unemployment. Consequently the methods of the employment agency have not been developed, but are generally exceedingly haphazard,

Devine, op. cit., pp. 21, 159; Chicago City Club, Report of Subcommittee of Committee on Labor.

and some of the secretaries have admitted the entire inadequacy of their methods.

Devine, op. cit., p. 180.

Only in those unions which have such a monopoly on the trade that the employers must send to them for help is there an organized method of securing information in regard to positions. In other unions dependence is placed on the information secured by business agents, by requests of employers, by informal statements of members in the weekly meetings or outside of such meetings and by formal reports in the weekly meetings. There is seldom any adequate registration of the unemployed members; some unions keep an out-of-work book, in which the members may register, and the members are then chosen from this list in order of seniority, priority of application, length of time out of work or fitness for work; a few unions go so far as to send telegrams to the unemployed members, announcing positions which are accessible.

Devine, op. cit., p. 175.

Other unions keep no such lists, but announcements of positions are placed on the bulletin boards and any member who sees them may go for the positions, thus causing duplication of efforts. Thus there is no well organized method of learning of positions, selection of applicants or of keeping records. In addition the business agent has a great deal of power, which may be used arbitrarily in his selection of applicants for positions; the members are in the dark, while he knows both the members who are unemployed and the positions that are available.

Chicago City Club, op. cit.

There is considerable diversity in the success of these agencies in securing work for their own members. Their strength with reference to the labor market as a whole may be indicated by the fact that of 759 employers in New York City only 10 (1.3 per cent) used such agencies exclusively in securing help, and only 18 (2.4 per cent) used such agencies in connection with personal applications at their plants.

New York, Report of Commission on Unemployment, 1911, p. 161.

Most of the local unions in the garment trade in New York City admitted that they could do very little for their members in this way,

Devine, op. cit., p. 160.

and the painters' and decorators' union, though in a trade in which engagements are characteristically short, secures work for only about 10 per cent of its members.

Devine, op. cit., pp. 166-67.

The firemen's union, on the other hand, secured work for from 93 to 97 per cent of its members in the year 1907.

Devine, op. cit., pp. 160, 177.



Some of the strong unions do not permit their members to make individual applications for work.

United States, Report of Industrial Commission, 1901, XVII:1xi-1xii.

Thus the efficiency of the employment agency seems to depend primarily on the strength of the union, and to be very nearly in direct correlation with the extent to which the craft is controlled. The cordiality of relations with employers is a second factor in their efficiency; unless employers will co-operate, there is no possibility of the success of such agencies; such co-operation might conceivably result when the relationship between employers and the union is friendly, even though the union was weak. If the relationship is not cordial, membership in a weak union is a positive detriment to the securing of employment. The energy and ability of the business agent is a third factor in the efficiency of the employment agencies; in Chicago some unions keep their members steadily employed on this account, while other unions in the same craft have unemployed members.

Chicago City Club, op. cit. I am indebted to this report, also, for the general interpretation of the efficiency of trade union employment agencies.

Thus even for the workers who are members of unions there is no great and general success in the organization of the labor market. The trade union employment agency comes very far from organizing the market in the way the students of unemployment demand that it should be organized in order to prevent unemployment.

The trade union employment agencies have confined their efforts almost entirely to the locality in which they are organized,

Devine, op. cit., p. 164; Chicago City Club, op. cit.

and some unions have reported that they would welcome an agency which could do the inter-communal work.

Devine, op. cit., pp. 163, 171.

Information in regard to demands for labor in this wider territory is secured in some unions through weekly or monthly publications, but the information is seldom specific or concrete; information is secured, also, by reports from traveling members, correspondence of the secretaries, and from the requests of other unions and of employers; but this information, also, is generally haphazard and vague. Membership in the union is frequently taken as sufficient guarantee to justify the advancement from the union treasury of traveling expenses to unemployed members; some unions report that there is no difficulty in securing the payment of these loans, while in other unions not more than half of the loans are paid.

Statistics on this point in the American Flint Glass Workers Union have been published for the period from 1903 to 1913; only about half of the amount advanced by the union in that time for car fare of members has been paid. American Flint, 4:8-9, Oct., '13.

Thus it may be concluded that the trade union employment agencies have failed to organize the labor market in the communities in which they are located and have done almost nothing in securing an inter-communal organization. The general solution of the problem of unemployment is not their objective; consequently they have restricted their efforts in such ways as to build up distinct centers, between which there is no co-operation, and which are in competition with the other kinds of agencies in so far as these other agencies attempt to deal in the same kind of labor. Moreover, these centers, segregated as they are, are not available for large classes of the workers because of non-membership in the unions; thus the unskilled workers, for whom institutional assistance is most necessary, are injured by these agencies and their unemployment is increased.

The employers, also, have established and maintained agencies, but the object of such agencies is not the solution of the problem of unemployment; it is rather to assist the employers in securing and controlling employees.

There are various types of agencies under the control of employers. Many employers maintain employment agencies in which they hire workers for their own establishments; but evidently such agencies mean merely that the work of hiring workers for the establishment is systematized, and on that account they hardly come within the scope of employment agencies as ordinarily understood. Some of the railroads have assisted farmers in securing workers for the harvests, using their local representatives as employment agents.

F. Andrews, Railroads and Farming, U. S. Dept. of Agriculture, Bureau of Statistics, Bulletin 100:32-33, Oct. 29, '12.

Some of the women's leagues and guilds, also co-operate to secure domestic servants for their own use, and some of them extend these efforts to assist other householders.

Kellor, op. cit., pp. 154-59.

But the only important employers' agencies are those maintained by employers' associations.

The purpose of the agencies maintained by employers' associations is avowedly to secure help without dependence on trade unions, and, in addition, most of the associations which support agencies are anti-union and open shop organizations. Consequently when these agencies attempt to secure permanent records of large numbers of workers, as in the Detroit Employers' Association Agency, which has records of over 100,000 workers, the unions regard them as merely systematized blacklists. The officials of such associations generally prefer to call them white-lists,

Adams and Sumner, Labor Problems, p. 283.

though some of the officials have referred to them as black-lists.

Quoted from W. E. Walling by H. T. Lewis, Journ. Pol. Ec., 20:934, 1912.

The constitutions of these associations generally state that the agency is to be an impartial and disinterested institution, and that no discriminations are to be made against applicants because of membership or non-membership in unions.

Several such constitutions are given in Massachusetts Labor Bulletin, March, 1904.

But much doubt is thrown on these statements by such facts as that the Boston Employers' Association, which has as one of its objects the maintenance of the open shop, requires applicants at its agency to state whether they are members of unions;

Sargent, loc. cit., p. 78.

that the members of such associations send to the agency a statement of the reasons for which employes are discharged, and prominence in the union or in an agitation for union principles would undoubtedly be deemed sufficient cause for discharge; that a legislative committee in Illinois appointed to investigate the garment workers' strike in Chicago in 1911 found that applicants to the bureaus maintained by the National Wholesale Tailors' Association and the Wholesale Clothiers' Association in Chicago could not secure positions if they had been discharged by other members of the Association, and that these agencies had more to do, in the judgment of this committee, with causing the discontent of the garment workers than all other causes combined, and that it would, therefore, be advisable to use legal power to dissolve such agencies;

Illinois, Report of Committee Appointed by Senate Resolution No. 15, Jan. 15, 1911, to Investigate the Garment Workers' Strike in Chicago, pp. 5-7.

and that the Lake Carriers' Association, according to the statements of union officials, after establishing a system of agencies under their own control, in which they assured the public that there would be no discrimination against union members, began to demand that union members hand over their union

cards; when this was met by the issuance of duplicate cards by the union so that the members could surrender their cards without inconvenience, the Association compelled their employes to sign one of the two following statements: "I am a union man" or "I am a non-union man"; the union instructed its members to sign the latter statement; then the Carriers required their employes to swear that they would renounce their allegiance to the union and would never join a union as long as they worked on the vessels of the Great Lakes for a living.

Victor Olander, in 7th Biennial Report of Indiana Labor Commission, 1909-10, pp. 9-37.

Such facts would indicate that the agencies of this type are necessarily confined to non-union workers, or those workers who, if union members, are willing to conceal the fact. The primary object of such agencies appears to be to sift the applicants for employment, not to decrease the amount of unemployment.

Moreover, the agencies maintained by employers' associations generally restrict their efforts to the assistance of the members of the association, though in some cases they assist other employers. But these agencies do not form the only channel through which employes are secured by the members of an association, for of the employes hired by members of the association, only 52.9 per cent were secured by the agency of the Detroit Employers' Association in 1911, 41.1 per cent by the Providence Metal Trades Association, and 39.8 per cent by the agency maintained jointly by the Indianapolis Employers' Association and the Indianapolis Metal Trades Association.

Sargent, op. cit., pp. 44, 87, 120.

Thus these agencies fail to prevent the individual applications at the plants of the members.

Some of these agencies operate with little variation in the amount of business, others, though open continuously, are practically inoperative except during strikes, while others are open only during strikes. Moreover, these agencies sometimes hire workers to take the places of strikers without revealing to them the nature of the positions that are offered. Consequently the workers may be sent to distant communities, and, when they learn the nature of the positions, be left stranded if they refuse to accept them, or even be confined to the plants by peonage.

United States, Peonage in Western Pennsylvania, Hearings before the Committee on Labor of the House of Representatives, 62d Congress, 1st Session; Minnesota, 12th Biennial Report of Bureau of Labor, 1909-10, pp. 29-50.

Most of these agencies confine their work to the local community, but some of the national associations have agencies which are of assistance, so far as possible, to any local association; for instance, the National Founders' Association in Chicago reports that it sends about 95 per cent of the applicants who are accepted out of the city of Chicago. But there seems to be little extensive work in inter-local placement except during strikes. Such agencies are certainly not organized with a view to the continuous employment of the workers, except in so far as the member of the association is concerned.

Consequently it may be concluded that the agencies under the control of the employers' association have no purpose that would involve a general solution of the problem of unemployment; they have, rather, the purpose of assisting the members of the association in securing workers. The workers for whom they are of value are restricted not only to those trades in which the association is formed, but also by certain principles of the employers with reference to trade unionism. The agency does not attempt to become a center for an entire trade, but only for the members of the association; and even in becoming such a center, it is not the only method used by the members to secure their employes; thus the agency does not control the distribution of labor even to the members of the association. These



agencies do not operate continuously in some cases, and in many cases are merely a means of securing strike-breakers. As a class these agencies are limited in their activities to one community. Consequently they have failed to set up a central agency in which the entire labor market can find expression, but they have added to the series of distinct and non-co-operating agencies; they do not secure complete and continuous information in regard either to the demand for labor or the supply of labor in general or in any particular occupation or trade, or in any one community, to say nothing of wider territory.

These various kinds of non-public employment agencies, therefore, have failed to organize the labor market in accordance with the ideal posited by the students of unemployment. They have set up distinct centers, for particular classes of employers or employes, with local, occupational, racial and other limitations, operating on a small scale, not at all commensurate with modern large-scale production. Between these centers there is little co-operation, and there seems to be no possibility of securing such co-operation, because of the various and conflicting purposes and ideals of those in control; consequently no one of these types of agencies can serve as a center into which the others can pour their surplus demands or supplies. None of these agencies is attempting to deal with the unemployment situation as a whole; all are interested in the unemployed individual. But instead of setting up a central agency, they are often in fierce competition which would make combined action impossible. The union agencies increase the unemployment of the persons not members; the agencies of employers' associations increase the unemployment of those deemed undesirable; both of these agencies are for the purpose of sifting the employes rather than of preventing unemployment. In other agencies, also, there is a tendency to increase unemployment, by reason of the fact that they specialize in casual occupations and short-time positions; thus it becomes easy to get into such occupations but extremely difficult to get out, and this difficulty is increased by the break-down of habits of industry while engaged in casual occupations. The records of these agencies in general are inaccurate and, even if they could be thrown together, would not be adequate to furnish comprehensive and definite information that would guide the workers in their search for employment. The methods of operation are generally unsystematic, and involve much waste of time and energy of the unemployed, and frequently are such as to subject the unemployed to many kinds of abuses. Some writers have stated that the existing agencies are adequate within any one city for the purposes of that city,

Devine, op. cit., pp. 7-9.

but there seems to be a very general consensus of opinion that the existing agencies fail utterly in adjusting demand and supply over a large area.

#### CHAPTER IV.

### FUNCTIONING OF PUBLIC EMPLOYMENT AGENCIES IN THE UNITED STATES.

The inadequacy of the private employment agencies emphasizes the need of organization of the labor market, and thus increases the responsibility of the public employment agencies. But what probability is there that this assigned function can be adequately performed by the public agencies? The first step in answering this question is to learn what degree of success the public agencies have had and to analyze the causes of success or failure.

On public employment agencies in general, see, in addition to the reports of the various agencies, the excellent summaries by J. E. Conner, *Free Employment Offices in the United States*, Bulletin of United States Bureau of Labor, No. 68, pp. 1-115, Jan., '07; Frank B.

Sargent, Statistics of Unemployment and the Work of Employment Offices, Bulletin of United States Bureau of Labor, No. 109, pp. 34-140, Oct. 9, '12.

Aside from places fixed in the markets where employers and employees might meet to make contracts of employment,

Such an informal provision for assisting the unemployed was made in New York City by an ordinance of 1834. United States, Report on Condition of Woman and Child Wage-Earners in the United States, Vol. IX, p. 25, foot note.

there were no public employment agencies in the United States previous to 1890, and not even an agitation for such provision before 1887. In this earlier period studies were made of unemployment and of industrial depressions, to be sure,

Hewitt, Report on the Causes of the General Depression in Labor and Business, 45th Congress, 3rd Session, H. R. Doc. No. 29, 1879; Blair, Committee Report of 1883 on Labor and Capital; United States, 1st Annual Report of Commissioner of Labor, on Industrial Depressions, 1886; State Censuses of New York and Massachusetts, 1885; Report of Special Committee on Labor in Illinois House of Representatives, 1879.

but the proposals for remedies centered on such things as currency, tariff, land laws, hours of labor and abolition of machinery. The general tendency of these remedies was to increase the total amount of work to be done in the country, or to decrease the output of the individual workman. The first definite recorded agitation for public employment agencies was made in Colorado in 1887, and a bill for that purpose was introduced into the House of Representatives of Colorado in 1889, but failed to become a law.

Colorado, House Journal, 1889, p. 388; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 368-69; Colorado, 3rd Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 162-63.

The first public agencies actually established were those in Ohio in 1890, in the control of the Bureau of Labor Statistics. Since 1890 seventy-nine public employment agencies have been started, under municipal, state or federal control;

This does not include a number of agencies in Kansas and Wisconsin which, without formal organization, have assisted in securing harvest-hands.

of these, sixty-seven are in operation at the present time, located in twenty-three different states. The state agencies are generally in control of the bureaus of labor statistics, departments of labor or similar bodies, though Wisconsin has had and New York still has public employment agencies controlled by the state department of agriculture. The municipal offices are managed and controlled directly by municipal councils, or indirectly by boards. The federal offices are maintained by the Bureau of Immigration of the Department of Commerce and Labor.

The following tables show the development and present distribution of the state free employment agencies:

## State Employment Agencies: Date of Passage of First Acts.

State.	Date of Passage of First Acts.
Ohio .....	1890
Montana (a) .....	1895
New York (b) .....	1896
Nebraska .....	1897
Illinois .....	1899
Missouri .....	1899
Connecticut .....	1901
Kansas (c) .....	1901
West Virginia .....	1901
Wisconsin .....	1901
Maryland .....	1902
Michigan .....	1905
Minnesota .....	1905
New York (d) .....	1905
Massachusetts .....	1906
Colorado .....	1907
Rhode Island .....	1908
Oklahoma .....	1908
Indiana .....	1909

- (a) Law repealed and agency discontinued in 1897.  
 (b) Law repealed and agency discontinued in 1906.  
 (c) The Kansas system is a combination of state and municipal control.  
 (d) Under control of state department of agriculture.

These acts, as first passed, have been enlarged and modified by amendments, and the appropriation of additional funds has made possible the increase in the number of agencies in several of the states. The following table shows the date of establishment of each of the state agencies.

## State Employment Agencies: Cities and States of Location, and Date of Establishment of the Agency.

State.	City.	Date of Establishment.
Ohio .....	Cincinnati .....	1890
	Cleveland .....	1890
	Columbus .....	1890
	Dayton .....	1890
	Toledo .....	1890
	Helena (a) .....	1895
Montana (a) .....	New York .....	1896
New York (b) .....	Lincoln .....	1897
Nebraska .....	Chicago, 3 offices .....	1899
Illinois .....	Peoria .....	1901
	East St. Louis .....	1907
	Springfield .....	1909
	St. Louis .....	1899
Missouri .....	Kansas City .....	1899
	St. Joseph .....	1901
	Bridgeport .....	1901
Connecticut .....	Hartford .....	1901
	New Haven .....	1901
	Norwich .....	1901
Kansas (c) .....	Waterbury .....	1901
	Topeka .....	1901
	Wheeling .....	1901
West Virginia .....	Milwaukee .....	1901
Wisconsin .....	Superior .....	1903
	La Crosse .....	1904
Maryland .....	Oshkosh .....	1904
	Baltimore .....	1902
Michigan .....	Detroit .....	1905
	Grand Rapids .....	1905
	Kalamazoo .....	1907
	Saginaw .....	1907
	Jackson .....	1908
Minnesota .....	Minneapolis .....	1905
	Duluth .....	1907
	St. Paul .....	1907



**State Employment Agencies: Cities and States of Location, and Date of Establishment of the Agency—Cont'd**

State.	City.	Date of Establishment.
New York (d) .....	New York .....	1905
Massachusetts .....	Boston .....	1906
	Fall River .....	1907
	Springfield .....	1907
Colorado .....	Colorado Springs .....	1907
	Denver .....	1907
	Pueblo .....	1907
Rhode Island .....	Providence .....	1908
Oklahoma .....	Oklahoma City (e) .....	1908
	Muskogee .....	1909
	Enid .....	1910
Indiana .....	Indianapolis .....	1909
	Evansville .....	1911
	Fort Wayne .....	1911
	South Bend .....	1911
	Terre Haute .....	1911

(a) Agency discontinued in 1897 by repeal of law.

(b) Agency discontinued in 1906 by repeal of law.

(c) According to the reports there is but one agency in the state at present, though in previous years there have been several.

(d) The first office in Oklahoma was located in Guthrie from July 1, 1908 to September 18, 1908, when it was moved to Oklahoma City.

This table shows that state employment agencies, have been established in eighteen states by legislative enactments, and that such agencies are now in operation in seventeen states, with a total of fifty-one employment agencies now active.

In addition, public employment agencies have been opened in eight states by state officials, without specific legislative enactment; they were controlled by the state bureaus of labor statistics, except in Wisconsin, where they were maintained by the department of agriculture. The following table shows the dates at which such offices began operations.

**State Employment Agencies Not Specifically Authorized.**

State.	Date of Beginning Operations.
North Carolina .....	1893
Iowa .....	1895
California .....	1895
Maryland .....	1896
Missouri .....	1897
West Virginia .....	1897
Michigan—two offices .....	1901
Wisconsin .....	1907

Most of these offices were in operation for only a few months; none of them are in existence, as such, at the present time. In Missouri and West Virginia they received a legal sanction and became authorized agencies. In Maryland and Michigan they were discontinued after a short period of activity and were revived later by legal enactment. In North Carolina, Iowa and California they were entirely discontinued. In Wisconsin the work was turned over to the county clerks in 1910.

Sixteen municipal employment agencies have been established, of which thirteen are still in existence as municipal agencies, two have become state agencies and one has been abolished. The following table shows the dates of establishment of these municipal agencies.

**Municipal Employment Agencies: City and Date of Establishment.**

City.	Date of Establishment.
Los Angeles, Calif. (a).....	1893
Seattle, Wash. ....	1894
Superior, Wis. (b).....	1899
Duluth, Minn. (c).....	1901
Sacramento, Calif. (d).....	1902
Butte, Mont. ....	1902
Tacoma, Wash. ....	1904
Great Falls, Mont. ....	1905
Spokane, Wash. ....	1905
Everett, Wash. ....	1908
Wellesley, Mass. ....	1908
Newark, N. J. ....	1909
Portland, Ore. ....	1909
Kansas City, Mo. ....	1910
Schenectady, N. Y. ....	1912
Berkeley, Calif. ....	1913

(a) Under joint control of city and county 1893-1905; of city 1905-10; of United Charities 1910-13; in 1913 a municipal charities commission was appointed, one of whose duties was the maintenance of such a municipal employment agency.

(b) Became a state office in 1901.

(c) Became a state office in 1907.

(d) Abolished after a few years, the exact date not being ascertainable.

The Division of Information of the Bureau of Immigration was created in 1907, and under its control employment agencies have been opened in New York in 1907, in Baltimore in 1908, and Galveston in 1909; an office was opened for a short time in Chicago but was soon abandoned.

There is a bill in the United States Congress at present to establish a bureau of the unemployed and to maintain under its control federal employment agencies. J. Eads How is reported to be sponsor for it.

The method used by these agencies to show their efficiency is to present the number of applications for employment and for help, and the number of positions filled. The following table contains the totals for each agency for the last year for which reports are accessible.

These reports are for years as follows: Municipal agency in Everett and Spokane, 1909; municipal agencies in Butte, Great Falls, Tacoma, Seattle and Portland for 1910; state agencies of Illinois, Ohio, Maryland, Massachusetts, New York and Oklahoma, and municipal agencies in Newark and Kansas City for 1911; state agencies of Indiana, Connecticut, Minnesota, Missouri, Colorado, Michigan, Kansas, Nebraska and Rhode Island, and the federal agencies for 1912; municipal agency in Berkeley for 1913.

**Public Employment Agencies: Applications for Employment and for Help and Positions Secured.**

Kind of Control and Location of Offices.	Applications for		Positions Secured.
	Employment.	Help.	
State Employment Agencies.....	.....	.....	343,999
Colorado .....	26,835	23,446	18,496
Denver .....	9,580	5,296	4,913
Colorado Springs .....	7,176	7,133	6,439
Pueblo .....	10,079	10,967	7,074
Connecticut .....	14,146	10,914	8,914
Bridgeport .....	3,773	3,382	2,725
Hartford .....	3,341	2,325	1,854
New Haven .....	3,584	2,757	1,970
Norwich .....	754	627	500
Waterbury .....	2,694	1,823	1,555

# Public Employment Agencies: Applications for Employment and for Help and Positions Secured—Cont'd

Kind of Control and Location of Offices.	Applications for		Positions Secured.
	Employment.	Help.	
Illinois .....	76,127	68,228	59,827
Chicago, South Side.....	13,931	17,363	13,037
Chicago, North Side.....	22,835	11,428	10,594
Chicago, West Side.....	12,734	12,177	10,946
Peoria .....	11,630	12,046	11,197
East St. Louis.....	8,675	8,660	8,021
Springfield .....	6,322	6,554	6,032
Indiana .....	29,797	28,596	20,483
Indianapolis .....	17,560	15,329	11,153
Evansville .....	1,665	2,403	1,445
Fort Wayne .....	3,378	3,339	2,509
Terre Haute .....	4,879	4,786	3,834
South Bend .....	2,315	2,739	1,542
Kansas (a) .....	5,025	20,437	3,284
Maryland .....	780	245	64
Massachusetts .....	54,259	30,632	21,158
Boston .....	40,114	22,816	15,806
Fall River .....	3,582	1,640	1,042
Springfield .....	10,563	6,176	4,310
Michigan .....	62,388	61,162	54,205
Detroit .....	34,869	37,176	34,869
Grand Rapids .....	14,452	13,847	11,665
Jackson .....	5,128	4,371	3,189
Kalamazoo .....	4,190	3,070	2,752
Saginaw .....	3,749	2,698	1,730
Minnesota .....	53,420	55,323	53,370
Duluth .....	13,230	14,078	13,230
Minneapolis .....	24,716	25,771	24,666
St. Paul .....	15,474	15,474	15,474
Missouri .....	18,899	33,279	15,165
Kansas City .....	7,024	21,923	5,656
St. Louis .....	8,361	7,472	6,407
St. Joseph .....	3,514	3,884	3,102
Nebraska .....	.....	.....	647 (b)
New York, Dept. of Ag.....	.....	.....	4,658
Ohio .....	75,034	50,125	47,906
Cincinnati .....	11,213	10,808	10,269
Cleveland .....	27,233	9,603	9,377
Columbus .....	15,225	10,957	10,957
Dayton .....	10,731	11,595	10,403
Toledo .....	10,632	7,162	6,900
Oklahoma .....	53,870	22,841	14,942
Enid .....	3,954	3,013	2,735
Muskogee .....	3,915	2,907	3,131
Oklahoma City .....	46,001	16,921	9,076
Rhode Island .....	3,539	.....	2,087
West Virginia .....	2,205	2,539	1,936
Wisconsin (c) .....	.....	.....	16,296
La Crosse .....	.....	.....	2,138
Milwaukee .....	.....	.....	5,235
Oshkosh .....	.....	.....	1,936
Superior .....	.....	.....	6,987
Municipal Employment Agencies.....	.....	.....	108,676
Berkeley .....	.....	.....	481 (d)
Kansas City .....	.....	.....	13,835
Butte .....	7,244	5,262	4,388
Great Falls .....	605	143	118
Newark .....	6,210	.....	2,755
Portland .....	.....	.....	28,214
Everett .....	.....	.....	4,450
Seattle .....	.....	22,803 (c)	38,846
Spokane .....	.....	.....	5,179
Tacoma .....	.....	.....	10,410
Federal Agencies—three .....	.....	.....	5,807
Total United States .....	.....	.....	467,751

(a) Exclusive of work of offices outside of state, some of which are included in this report.

(b) For eighteen months.

(c) For eight months.

(d) For three months.



Before these figures can be taken as an indication of the efficiency of the public employment agencies it is necessary to inquire more specifically into the methods by which they have been secured and into their deeper meaning. Such an inquiry reveals very great inaccuracies in these reports.

The number of positions reported filled is deficient, first, in not including all positions filled through the assistance of the agencies, and, secondly, in including many positions which are not actually filled. The first error seems, however, to be very slight, while the latter is very large. The failure to include all the work done by the agency is due to the fact that applications are sometimes made for large numbers of casual workers, and the information is merely distributed by the public agency without attempt to keep account of the number of persons who are assisted by such information, and also to the fact that in some states, such as Kansas, the demands for labor are published in the newspapers and, though these published accounts are of value in the distribution of labor, they make it impossible to measure the efficiency of the agencies.

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194; Kansas, 12th Annual Report of Director of Free Employment Bureau, 1912, p. 9; Sargent, loc. cit., p. 82.

On the other hand the reported number of positions filled is in almost all offices very much larger than the number of positions actually filled, or, at least, very many positions which are reported filled are found on investigation not to have been filled. When an applicant for employment is sent to a position, there is no direct and immediate evidence that the position has been filled; moreover the process of verification is difficult and expensive. The laws of Minnesota, Missouri, Montana, Nebraska, New York and Rhode Island have provided that the employer must notify the employment agency within a specified time whether the applicant who was sent to him was hired, on penalty, for failure to do so, of losing the right to future services of the public employment agency; in Indiana a fine of \$100 is imposed, according to the statutes, on employers who fail to give such reports to the public employment agencies. These laws are not enforced, however, and the general practice is to send with the applicant for employment a card which is to be filled out and returned by the employer to the public employment agency. Some agencies have reported that the employers in about 75 per cent of the cases return such information, others that about 40 per cent, and others that none do so. Consequently it has been necessary to supplement these cards by telephone messages, mail or messengers in order to secure verification. But this verification is difficult, the facilities are generally inadequate and the result has been in most agencies that every person who is sent from the agency to a position reported vacant is recorded as securing the position unless definite information to the contrary is received,

Conner, loc. cit., pp. 13, 44, 36; Sargent, loc. cit., p. 93; Kansas, 6th Annual Report of Director of Free Employment Bureau, 1906, p. 3.

and since the agencies succeed in verifying only a part of the recorded placements, there is a considerable discrepancy.

Conner, loc. cit., pp. 13, 23, 45, 61, 80.

It is on this account that the records of some agencies show that more positions have been secured than there were applications for help.

Conner, loc. cit., p. 32; Maryland, 13th Annual Report of Bureau of Statistics, 1904, p. 23.

and that there is in many reports an exact equivalence of the number of positions reported filled and the number of demands for help.

Conner, loc. cit., pp. 20, 44-45; Minnesota, 13th Biennial Report of Bureau of Labor, 1911-12, pp. 365-67; Ohio, 34th Annual Report of Bureau of Labor Statistics, 1910, pp. 464 ff.; Rhode Island, 25th Annual Report of Bureau of Industrial Statistics, 1911, p. 135; Wisconsin, 12th Biennial Report of Bureau of Labor, 1905-06, pp. 1348 ff.

This discrepancy between positions reported filled and positions actually filled is due to the failure of some applicants for employment to go to the position offered—and this is one cause of complaint, even by the private employment agencies, after registration fees have been paid—to the failure of the employer and employee to make a satisfactory bargain, or to the filling of the position in some other way. In Chicago some of the applicants for employment secure cards from the state agency, referring them to positions, and then use those cards as means of begging, nominally for car fare to enable them to reach the place of work. But some agencies have made claims that they record no position as filled until they have received definite information of that fact. It has been generally acknowledged that the Massachusetts state employment agencies have had, in this respect, by far the most accurate methods of any agencies in the country,

New York, Report of Commission on Unemployment, 1911, p. 118; Sargent, loc. cit., p. 64.

and the superintendents maintain that they are superior to other agencies in the accuracy of their records, and that their reports of positions filled are safely within the facts and accurate so far as they go.

Massachusetts, 1st Annual Report of Free Employment Offices, 1907, p. 7.

The Massachusetts Commission to Investigate Employment Offices, in order to test the accuracy of the reports of efficiency, secured from the superintendents the names of workers who were reported as securing positions in one month, and two or three months later made inquiries in regard to them of the employers who were reported as having hired them. This Commission found that from 14 to 36 per cent of the persons reported as securing employment were not hired. The results appear in the following table:

**Massachusetts Employment Agencies: Percentages of Applicants for Employment Reported Hired Who Were Actually Hired.**

Agency.	Number of Applicants Reported Hired Who Were Heard From.	Percent of Applicants Who Were:				
		Hired.	Not Hired			
			Total.	Did Not Apply.	Not Remembered to Have Applied.	Applied But Not Hired.
Boston .....	421	64.2%	35.8%	14.2%	19.7%	1.9%
Springfield ....	189	80.4%	19.6%	1.1%	14.8%	3.7%
Fall River ...	56.	85.7%	14.3%	.....	10.7%	3.6%

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 75.

If the findings of the Commissioner were correct,

This Commission made personal inquiries of the employers in Boston, and inquiries by correspondence of the employers in the other cities. The examination was made in Boston two months after the month in which the positions were reported filled, and in Springfield and Fall River three months after the positions were reported filled. There is no statement in the report of the Commission in regard to the accuracy with which employers made their replies.

it is very certain that the reports of the agencies in other states would show a very much greater error than this. It is safe, at least, to conclude that the agencies have reported very many positions as filled which have not been filled, and that the reported efficiency of these offices has been very much exaggerated.

But even if these reports of the number of positions filled were accurate, they would not show the efficiency of the agencies. The absolute number of positions secured is in itself meaningless, and comes to have meaning only when thrown into relation to the amount of unemployment and the demand for labor.

Some of the superintendents have stated that the absolute number of positions secured is the criterion of the efficiency of the agency. Massachusetts, 5th Annual Report of Free Employment Offices, 1911, p. 8; Minnesota, 12th Biennial Report of Bureau of Labor, 1909-10, p. 570.

The realization of the necessity of relating the number of positions secured to other factors of the situation has led most agencies to give, also, the number of applications for help and for employment.

The records of applications for help are much more accurate than the records of positions filled, and may generally be taken as a relatively accurate representation of the demands made by employers on such agencies. It is evident that much care in regard to this item is necessary in order to conduct the business of the agencies, for unless an accurate record of the demands were kept, it would be impossible to maintain the offices. There is, however, some doubt as to the accuracy with which the requests for help represent the actual needs of the employers; it is reported that many employers ask for two or three times as many workers as are desired for employment, in order to have an opportunity to make selections. Consequently this practice, in so far as carried on, vitiates the records from the standpoint of the accurate representation of the actual needs of industry.

Massachusetts, 3d Annual Report of Free Employment Offices, 1909, p. 3.

The records of the number of applications for employment are very deficient from the standpoint of a representation of the extent of unemployment. The superintendents generally register only those persons, and hence give only those in their reports, for whom positions are at the time available. There is no absolute refusal to register applicants, but there is, on the other hand, no incentive for the applicants to register. Many of the superintendents have stated that this is their method and have defended it on the ground that registration of all applicants would be impossible on the appropriations, since many persons come several times a day looking for employment, and that it would be comparatively valueless, even if possible.

Illinois, 10th Annual Report of Free Employment Offices, 1908, pp. 83, 89; Michigan, 23rd Annual Report of Bureau of Labor Statistics, 1906, p. 300; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194; Conner, loc. cit., pp. 12, 22, 71, 72, 78, 80; Sargent, loc. cit., pp. 86, 93, 123.

To obviate this difficulty some of the agencies have set a limit of thirty days within which the registration is in force, unless the applicant secures employment before the end of that period.

See the free employment agency laws of Missouri, Minnesota and Rhode Island. This is the practice, also, in some other states in which the laws do not specify that it shall be done.

In some other states there has been an attempt to correct this error by counting the number of persons who come into the office without registering, but this is entirely inadequate since it is based merely on the memory of the superintendent. In Illinois more detailed and pertinent information is secured from the applicants who "decline to register" than from those who register, and the number of such persons is found to be larger than the number of persons who register.

Illinois, 13th Annual Report of Free Employment Offices, 1911, pp. 13, 28.

Because of the failure to record those who are seeking employment, but for whom the agency has no work to offer, there is a statistical anomaly that the number of applications for employment decreases in years of depression and in months of slight business activity, when it would be expected that the number of applications would increase.

Illinois, 10th Annual Report of Free Employment Offices, 1908, p. 1.



Consequently the number of applications for employment has an inverse ratio to the actual amount of unemployment. When this error is taken in connection with the failure to verify the number of positions filled, the number of positions reported filled becomes identical with the reported number of applications for employment. This identity is possible only when the agencies regard as applicants for employment only those for whom positions are accessible, and at the same time record as positions filled all positions to which applicants are sent. There is still another inaccuracy in the reported number of applications for employment in Chicago, where there are three state agencies; an applicant may be recorded at the same time in all three agencies as an applicant for employment. This error is inconsiderable, however, since the offices do not ordinarily register persons for whom work is not immediately accessible.

Moreover, the number of applications for employment is not an adequate test of the extent of unemployment, because there is no indication in the reports in regard to whether applicants for employment are employed or unemployed at the time of registration. The only exception to this is one of the Chicago agencies which takes such information from those reported as refusing to register. This shows that out of 11,835 persons reported as refusing to register for employment in this agency in 1911, 68 were employed at the time of application.

Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 13.

The number of persons employed at the time of registration is, however, presumably small, and some superintendents have raised objections to assisting such persons at all.

Illinois, 9th Annual Report of Free Employment Offices, 1907, p. 71.

Because of these inadequacies in the reported number of applications for employment and the difficulties in securing accurate and pertinent statistics for this purpose, some of the agencies do not make reports of the number of applications for employment. The only value of the reports as ordinarily given is to show a high percentage of applicants who are assisted in securing employment, and the practice seems to be retained only in order to make as good reports as possible. It is strange, however, that the Wisconsin law, which was repealed in 1911, should have put a premium on this padding of reports by specifying that a sufficient reason for the dismissal of a superintendent of a free employment office would be a low percentage of positions secured to applications for help and for employment.

But even if the reports of the number of applications for help and for employment and of the number of positions filled were accurate, such reports would still be inadequate in indicating the efficiency of the public employment agencies in organizing the labor market. Should all positions be given equal weight in the reports? Some are temporary, lasting only a few hours, while others are permanent. That this may make a great difference in passing judgment on the agencies is indicated by the fact that in one year in the casual registries in England 3,799 persons secured 266,622 positions, or an average of 70 positions each. Evidently the permanency of the position secured must be considered in connection with efficiency. Nevertheless, none of the public agencies in the United States give any indication in their records in regard to the probable permanency of the position secured, with the exception of the Kansas City agency, which is controlled by the Board of Public Welfare. It was found that the average worker who was placed by this agency in the year 1910-11 earned a total of \$1.13 from the job.

Kansas City, 2d Annual Report of Board of Public Welfare, 1911, p. 147.

The Massachusetts Commission of 1911 found that of 270 persons who had actually been hired in a month through the Boston Public Employment Agency 34.1 per cent secured temporary work, of 152 hired through the

Springfield agency 50.0 per cent secured temporary work, and of 48 hired through the Fall River agency 45.8 per cent secured temporary work.

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, pp. 73-75. No definition of "temporary" is given in this report.

The Citizens' Free Employment Bureau, opened in Milwaukee for three months in the winter of 1911, though not in the control of a public body, was doing work very similar to that done by the public agencies, and therefore furnishes some evidence which is applicable; of 1,443 positions reported filled by this agency, 65.6 per cent were reported as temporary.

Citizens' Free Employment Bureau, Bulletin of the Milwaukee Bureau of Economy and Efficiency, 1911, No. 6, p. 8. No definition of "temporary" is given in this report.

A few agencies report the number of different persons assisted in securing positions, as well as the number of positions filled.

Massachusetts, 5th Annual Report of Free Employment Offices, 1911, p. 14; Citizens' Free Employment Bureau, Milwaukee, loc. cit., p. 8.

But this method, also, fails to indicate accurately the permanency of the position secured, since the agency does not have a record of all the positions secured by their individual applicants, and since the worker might leave a position in a very short time for no reason inherent in the nature of the position. The superintendent of the Minneapolis agency has stated that many of the male applicants refuse to take any work other than the temporary and casual jobs

Sargent, loc. cit., p. 93.

and the Massachusetts Commission of 1911 found that of 128 persons hired through the Boston agency for permanent positions, 56.3 per cent worked for one week or less, of 51 hired through the Springfield agency for permanent positions 35.3 per cent worked for one week or less, and of 15 hired through the Fall River agency for permanent positions 26.7 per cent worked for one week or less.

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 75.

Some public agencies have given estimates of the proportion of positions secured which were temporary; for instance, it is estimated that 90 per cent of the positions secured in the female department of the Minneapolis agency are one-day positions.

Sargent, loc. cit., p. 93.

Similar estimates have been made by several other superintendents,

Conner, loc. cit., pp. 8, 9, 61, 69, 80; Sargent, loc. cit., pp. 50, 81-82. but such estimates do not admit of any more accurate conclusion than that in most of the offices there is a very large proportion of short-time and temporary positions, of a casual nature.

Consequently, there is no means of determining accurately how large a proportion of the positions secured through the public agencies are permanent. The reports, therefore, are completely valueless in giving an accurate idea of the efficiency of the agencies. It is impossible to determine whether the public agencies have been merely a means of promoting the casualization of labor, or whether they have had some other more desirable result. It is certain, however, that they have added principally to the agencies which secure casual occupation for workers, and that the engagements made through the assistance of these agencies are of temporary duration. Consequently, it is not adequate to represent the efficiency of an agency in terms of the absolute number of positions secured.

The absolute number of positions filled is an inadequate measure of efficiency, also, because it fails to take into consideration the possible work that might be done by such agencies, the number of positions open to be

filled. Some attempts have been made to secure a correction for this by throwing the number of positions filled into relation to the size of the city in which the agency is located.

Massachusetts, 34th Annual Report of Statistics of Labor, 1903, p. 169; Kansas City, 2nd Annual Report of Board of Public Welfare, 1911, p. 122.

Though this gives some correction, it is a very rough and not entirely adequate method. In the first place, it fails to take into consideration the number of positions secured through the agency in districts not within the city. Since the agencies differ in regard to the extent of such work, and since there is no accurate indication of the extent of such work in the reports of the agencies, it is both impossible to compare the agencies with each other, or the same agency at different times, and thus impossible to correct for this error. Again, some cities which are in a process of developing new industries, even though smaller than other more static cities with which they might be compared, are engaging more employees, and therefore present a greater opportunity to the employment agency for placing applicants for employment. Also, in other ways the size of a city is not an accurate indication of the possible work that an agency might do; for instance, the state employment agency in Kansas City, Missouri, furnished 1,210 harvest hands for Kansas farmers in 1910 on requests for that number. but in 1911 they had no demands for harvest hands and could fill no positions of that kind.

Missouri, 33rd Annual Report of Bureau of Labor Statistics, 1911, p. 230.

Such variations in the possibilities of an agency cannot be accurately represented in terms of the size of a city.

Evidently, therefore, the efficiency of a public employment agency in dealing with unemployment should be measured in terms of the total amount of unemployment within its area of operations. As shown above, the reported number of applications for employment is not an indication of the extent of unemployment. But, on the other hand, if there is no demand for labor, an agency cannot be held inefficient if it fails to secure positions for the applicants for employment; the efficiency must be determined, therefore, not only in terms of the amount of unemployment, but in terms, also, of the demand for the workers who are unemployed. While the reported number of applications for help is less inaccurate than the other figures presented by the public agencies, it is evidently not an adequate representation of the entire demand of a community for labor, since the agency receives only a small part of the employers' applications for labor. Consequently, it may be concluded that the reports which are ordinarily presented to show the efficiency of the public agencies are quite meaningless in giving any indication of the extent to which they have solved the problem of unemployment.

Much more concrete evidence of the efficiency of such public agencies is furnished by the fact that agencies have been opened under the control of a committee of citizens in Milwaukee and of the Board of Public Welfare in Kansas City, and have done much the same kind of work that was done by the state agencies located in those cities. The Citizens' Employment Bureau secured positions for 1,443 persons during the three months in the winter of 1911, while during the same time the state agency in Milwaukee registered and reported as "placed" about 800 persons.

Wisconsin, Bulletin of Industrial Commission, 1:218, Aug. 20, '12.

The employment agency which was maintained by the Kansas City Board of Public Welfare secured positions for 13,835 persons during the eight months ended May 31, 1911, while the state agency in Kansas City secured only 1,520 positions during the year ended September 30, 1911.

Missouri, 33rd Annual Report of Bureau of Labor Statistics, 1911, p. 234; Kansas City, 2nd Annual Report of Board of Public Welfare, 1911, p. 147.



The comparative success of agencies in the same community operating at the same time is evidence of the failure of the state agencies in the attempt at organization of the labor market.

It is necessary, also, to attempt to determine the extent to which the public employment agencies have been limited to various classes of applicants, and thus have merely increased the series of distinct centers in the labor market.

There is little definite formal evidence in regard to the ideal field of operations of the present public employment agencies. The laws of a few states explain that the term "applicant for employment" is not confined to manual labor, but that it includes all kinds of labor.

See statutes of Colorado, Illinois, Indiana, Oklahoma, Rhode Island, and the law in force in Wisconsin until 1911.

Moreover, the agencies generally advertise that they furnish both skilled and unskilled help, and resent the accusation that they confine their efforts to the unskilled

Illinois, 8th Annual Report of Free Employment Offices, 1906, p. 3. and frequently refer to the increase in the number of applications made by skilled workers.

Illinois, Annual Reports of Free Employment Offices, 4th, 1902, p. 55; 8th, 1906, p. 74; 10th, 1908, p. 2.

But in actual practice the assumption of those in charge of many of the agencies is that such agencies are maintained primarily for the unskilled and this has in some cases been frankly stated. The Secretary of the Bureau of Labor Statistics of Illinois stated that "the primary purpose in establishing these offices was to aid the common or unskilled laborer in getting work without cost to him or her,"

Illinois, 7th Annual Report of Free Employment Offices, 1905, p. 3.

and maintained that the special investigations required in assisting skilled workers to secure positions would diminish the usefulness of the offices and frustrate their purpose.

In addition, the methods of operation show a strong tendency to specialization on the unskilled workers. Some superintendents attempt to use discrimination in selecting persons who are fitted for positions,

Conner, loc. cit., p. 37; Sargent, loc. cit., p. 97; Massachusetts, 38th Annual Report of Statistics of Labor, 1907, pp. 451-52; Michigan, 1st Annual Report of Department of Labor, 1910, p. 421; Ohio, 22nd Annual Report of Bureau of Labor Statistics, 1898, p. 275; Oklahoma, 2nd Annual Report of Department of Labor, 1908-09, p. 314; Washington,

2nd Biennial Report of Labor Commissioner, 1899-1900, p. 21.

but there are various other principles of selection which would be conceivable only with unskilled workers; the following are some of the principles on the basis of which applicants are selected for available positions; the number of persons dependent on the applicant,

Sargent, loc. cit., pp. 40, 119.

age of applicant, degree of need of work,

Sargent, loc. cit., p. 97.

priority of registration,

Sargent, loc. cit., p. 40; Kansas, 1st Annual Report of Director of Free Employment Bureau, 1901, p. 18; Massachusetts, 38th Annual Report of Statistics of Labor, 1907, p. 451.

priority of application after a position is announced,

Conner, loc. cit., p. 78.

length of waiting period in the office,

Sargent, loc. cit., p. 97.

ability to go to the position immediately,

Conner, loc. cit., pp. 66-67.

residence in the state;

Statutes of public agencies in Massachusetts and Rhode Island.

in some cases the person who has a telephone is selected because he can be notified most easily;

Sargent, loc. cit., p. 40.

and some agencies send several applicants to an employer and permit him to make the selection.

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 78.

An attempt is being made in Wisconsin to register those who do casual work and to send only such registered casual workers to those positions, so that, even though they are engaged in casual occupations, they may be regularly employed; this is the only recorded case of an attempt in the United States to decasualize the labor market.

Letter written by W. M. Leiserson to the Chicago Commission on Unemployment in 1912.

Some agencies attempt to determine the efficiency and character of those who come repeatedly to the office, or even to grade them on the basis of efficiency in the performance of work secured previously through the public agency.

Connecticut, 17th Annual Report of Bureau of Labor Statistics, 1901, p. 209; Illinois, 9th Annual Report of Free Employment Offices, 1907, p. 70; Michigan, 1st Annual Report of Department of Labor, 1910, p. 421; New York, 7th Annual Report of Free Employment Bureau, 1902, p. 4.

Some of the agencies require references and testimonials from all applicants, even the unskilled; others require no testimonials, even from those who claim very technical skill; and the ordinary practice seems to be either to require no references, or else not to investigate references that are required. The Commissioner of the Massachusetts Bureau has defended this practice on the ground that references and testimonials are of slight intrinsic value, that, if thorough, the investigation would be very expensive, and that the state is not in a position to guarantee employees, even after a most thorough investigation.

Massachusetts, 38th Annual Report of Statistics of Labor, 1907, pp. 432-34.

Still another element in the technique of the public agencies may be presented as an indication of specialization on the unskilled workers; in none of the public agencies, with the exception of Boston, is there any separation of the unskilled from the skilled workers; even in the Boston office all applicants enter by the same door and stairs; there is only a partition reaching part way up the room between the skilled and unskilled females, while the unskilled males are separated from the other male applicants only by a railing, and the boys under eighteen years of age are in the same office with the skilled, differentiated from them only by reason of applications at different desks.

Sargent, loc. cit., p. 62.

It seems evident that the skilled workers would not be inclined to patronize offices in which there is no differentiation of the skilled and unskilled, and that an agency which is attempting to secure the patronage of skilled workers would not in this way make patronage difficult.

There is little definite information in regard to the actual success in securing positions for the skilled as compared with the unskilled, or the proportion of skilled to unskilled applicants for employment. Some reports make no occupational classification of the applicants or the positions secured,

See reports of agencies in Colorado, Ohio, Oregon and West Virginia.

and the reports which do contain such classifications offer no definition or explanation of the basis of classification, and there is no possibility of differentiating the skilled from the unskilled or of securing uniformity of classification. In so far as judgment may be passed on the basis of such inadequate classifications, it is clear that a very large proportion of the applications and of the positions secured are in the inferior labor market—common labor for males and domestic service for females. In addition, some of the superintendents have made estimates of the proportion of the applicants who are skilled, these estimates varying from 3 per cent to 25 per cent.

See, for example, Conner, loc. cit., pp. 79, 80.

Some of the agencies are of service almost exclusively to unskilled males, others to domestic servants, such, for example, as the Newark Municipal Agency and the agency which was maintained by the State of New York from 1896 to 1906. A special committee appointed in 1905 to investigate the work of the New York agency reported that it was practically an intelligence office for domestic servants.

New York, 5th General Report of Department of Labor, 1905, pp. 14-16.

Other agencies are maintained almost exclusively for agricultural laborers; this is the obvious purpose of the agencies maintained in Wisconsin and New York by the state departments of agriculture. And the Director of the Kansas Free Employment Bureau stated that "the great and all-important duty of the Bureau is to furnish hands to gather our immense crops."

Kansas, 12th Annual Report, 1912, p. 5.

The agencies operated by the Bureau of Immigration limit their activities definitely to farm labor, common labor, domestic labor and settlers, and, also, largely to immigrants.

United States, Annual Report of Commissioner of Immigration, 1909, pp. 232-34.

These facts would indicate that the public employment agencies have limited their activities in actual practice to a comparatively small part of the labor market, being confined in most cases to the inferior labor market, frequently confined, also, to one sex in the inferior labor market.

There has been a slight degree of co-operation, however, between the public agencies and some of the other kinds of agencies. This co-operation is most apparent in the relationship between philanthropic agencies and the public agencies. It is reported that there is active co-operation between agencies of these types in Minneapolis,

Sargent, loc. cit., p. 98.

but in Chicago and Boston the co-operation has seemed to be unsuccessful.

Kellor, loc. cit., pp. 246-50; Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 76.

The agency maintained in New York City by the Bureau of Immigration co-operates with the charitable societies and the immigration associations, as well as with the agency of the State Department of Agriculture.

United States, Annual Report of Commissioner of Immigration, 1910, p. 239.

Again, some of the employers' associations maintain agencies through which they secure the skilled help, and patronize the public agencies for their unskilled help.

Sargent, loc. cit., pp. 44, 46.

The public agencies in Chicago have in some cases sent skilled men whom they were unable to assist to private employment agencies which were judged to be honest and efficient, and which had more knowledge of skilled trades.

This has given rise to suspicions, as expressed by the representative of one of the trade unions of Chicago, that the public agencies not only



specialize in casual employments, but that when they secure applications from skilled workers they send them to private agencies which then divide the fees with the superintendents of the public agencies. This is, at least, indicative of a popular attitude, though there may be no truth in the accusation.

Thus, though there are few cases of co-operation between the public agencies and the other types of agencies, this is not the kind of co-operation necessary for the organization of the labor market in accordance with the ideal of the students of unemployment. The public agencies have not become central, in the sense that all demands and supplies are represented in them, and that they are places into which all surplus demands and supplies can be poured. So far as a local community is concerned, the public agencies have, therefore, merely added to the series of distinct and non-co-operating centers. They have not secured an organization which includes all occupations and the characteristic specialization on unskilled workers means that they have merely duplicated the work of the private and other types of employment agencies.

These public agencies have, also, been as inadequate in the organization of the larger labor market, extending over an area including several cities or states, as have the non-public employment agencies. In fact, they show very much less efficiency in this respect than is displayed by some types of the non-public agencies, such, for instance, as the trade union or employers' association agencies. In Massachusetts, by the statute of 1906, and in Rhode Island and Montana, applications for employment could be made only by citizens of the state. In 1908, however, the Massachusetts statute was changed so that the preference was given to citizens, but others were not absolutely debarred. In Seattle, also, from 1893 to 1895, preference was given, according to the city charter, to citizens in the selection of applicants for available positions. The governmental bodies which have established public employment agencies have been interested primarily in their own labor markets. Consequently, there has been a minimum of inter-communal and interstate placements. Evidently, if there is a surplus of labor in a community or a state, efforts would be made to secure employment for them elsewhere in order to solve the local problem of unemployment; and if there were an unsatisfied demand for labor in a community or state, efforts would be made to secure laborers from outside.

On the other hand, there have been many provisions which indicate an ideal of an area of operations more extensive than a single community or city. Some states have attempted to secure a state-wide distribution of labor by the establishment of "mail order" employment agency systems, in which applications for employment or help are made by mail, and information is returned from the agency by mail. The first law of this type was advocated in Iowa in 1893, but failed to pass. Montana adopted such a law and for two years maintained an agency of that kind. In Maryland this method of distribution was used in the extra-legal agency for a short time in 1896, and it has been used since the establishment of the state agencies in Kansas, Nebraska and Maryland, and to a certain extent in Indiana. This plan of distribution has been based generally on the desire to assist the farmers in securing help, and has been developed in Kansas more systematically than in any other state.

The original plan in Kansas was to have a public employment agency in each city of 2,000 or more, with the control divided between the municipality and the state. A few agencies were established in the smaller cities, but they appear from the reports to have been abandoned, leaving only the one agency in the capitol.

In Kansas information in regard to the probable demand for harvest hands is secured from voluntary correspondents in each county; such information, revised from time to time, is prepared by the state office and furnished to the associated press, the railroads, the philanthropic employment agencies and the public employment agencies in the neighboring states.

Proceedings of Conference of State Immigration, Land and Labor Officials, 1911, p. 14.

Those who desire such employment can secure information through any of these sources. Such information is secured in Wisconsin on a smaller scale, but with much better control of the distribution, through local bankers.

Wisconsin, Bulletin of Industrial Commission, 1:220, Aug. 20, '12.

The existence of such a technique shows very plainly that the purpose of such agencies is to cover an area larger than one city.

This purpose is apparent, also, in the form of organization of the agencies operated by the state departments of agriculture in Wisconsin and New York and by the Division of Information of the Bureau of Immigration. The work of these agencies is in its essence inter-communal and inter-state work. The Massachusetts agencies in 1911 were authorized by special statute to provide for the better distribution of immigrants within the state.

In several states attempts have been made to secure co-operation between the agencies of the state by means of regular and frequent interchange of reports and to secure a more extensive knowledge of the labor market by the publication and distribution of such reports. The laws of Colorado, Illinois, Ohio, Indiana and Rhode Island provide for weekly reports of the number of applications for employment and help and the number of positions secured in each office, thus showing the number of positions still available; but the laws have not been enforced in several of these states.

New York, Commission on Unemployment, 1911, p. 114; Ohio, 20th Annual Report of Bureau of Labor Statistics, 1896, p. 399.

In New York the first law of 1896 required weekly reports to be sent to each township supervisor; but there were 1,168 such supervisors; the results appeared to be negligible and the expense very great; consequently, the law was amended in 1897, omitting that section. In Massachusetts there have been several attempts to secure this broader information in regard to the labor market. In 1893 one of the objections raised to public employment agencies was that they failed to secure information in regard to the labor market of the entire state, and it was urged that a system of reports on the condition of the labor market of the state would be preferable to such agencies in the larger cities. By the first law in 1906, it was provided that each office send a semi-weekly report to the superintendent, and that these reports be combined and returned to the agencies and distributed in other ways; for the first seventeen weeks such reports were published in the "Free Employment Gazette." In 1909 the statute was changed, requiring the agencies to send weekly reports of the demand and supply, as determined by applications for employment and for help, to the clerks of all towns and cities of the state. But this law, also, was enforced for a short time only.

Sargent, loc. cit., p. 68.

The superintendent of the Boston agency has published a monthly "Labor Market Letter," which gives in a descriptive form the general condition of the labor market, on the basis of the information secured in the public office. A similar bulletin has been published in Wisconsin on the basis of the reports of the Milwaukee agency, and since May, 1912, including the other state agencies; the plan is to enlarge this bulletin to include all possible sources of information in regard to the labor market of the entire state.

Wisconsin, Bulletin of Industrial Commission, 1:220, Aug. 20, '12.

Connecticut, Missouri and Minnesota have monthly reports, and Indiana a quarterly report. Such infrequent reports as these at monthly intervals evidently do not give the continuous information in regard to the labor market which is deemed desirable for the adjustment of supply and demand over a large territory, but they indicate some ideal looking to that final successful adjustment.

There are, in addition, a number of minor indications of this purpose to cover a wider territory than one city. In some agencies the applicants are asked if they are willing to work outside the city; some superintendents have made demands for wider advertising so that their operations might cover more territory; requests have been made that newspapers be kept in the offices to enable applicants to secure information in regard to opportuni-



ties for employment not locally available. Some state agencies have made arrangements with railways by which reduced fares have been granted to those applicants who have offers of work in other cities.

California, 7th Biennial Report of Bureau of Labor Statistics, 1895, pp. 26-27; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 198; Kansas, Annual Reports of Director of Free Employment Bureau, 1st, 1901, p. 7; 5th, 1905, p. 4; Conference of State Immigration, Land and Labor Officials, 1911, p. 16.

In Indiana the farmers and farm laborers are invited to meet in the agencies on a special occasion known as Farmers' Day, to make their contracts for the coming season.

Indiana, 14th Biennial Report of Department of Statistics, 1911-12, p. 12.

The laws of several states provide that the agencies be advertised in trade journals without reference to whether those journals are published in the state, provided they reach employers of large numbers of laborers.

Statutes of Colorado, Illinois, Indiana, Michigan and Oklahoma.

There have been three attempts to organize associations of employment agencies. In 1901 the superintendents of the free employment agencies of Missouri, New York, Illinois and Connecticut formed the National Association of Free Employment Bureaus, but in the next year it was merged with the more general Convention of the Officials of the Bureaus of Labor Statistics,

New York, General Reports of the Department of Labor, 1st, 1901, pp. 92-94; 2nd, 1902, pp. 10-11.

and in the meetings of the latter organization some attention has been given to the work of the public employment agencies, though no tangible co-operative plans have been developed. In 1904 the commissioners of labor of Nebraska, Iowa, Kansas, Minnesota, Missouri, Oklahoma and South Dakota formed the Western Association of Free Employment Bureaus for the purpose of co-operating to secure a better distribution of the farm labor during harvest. The Kansas City, Missouri, office was fixed as the central clearing house, and each state was expected to report to it weekly in regard to the number of men needed and available. But there has been no evidence of such co-operation and it is presumed that the Association has been discontinued. In December, 1913, a meeting of superintendents of public employment agencies and secretaries of bureaus of labor statistics of Illinois, Indiana, Massachusetts, Michigan, Missouri, Ohio and Alberta resulted in the formation of an organization, to be known as the American Association of Public Employment Agencies of the United States and Canada. Its objects are to improve the efficiency of the agencies, to extend such agencies to all the states, to secure closer co-operation between such agencies, to secure a uniform plan of records and business control, to devise and maintain a plan of interchange of information regarding the whole labor market, and to secure proper distribution of labor throughout the country.

Up to date the proceedings of this Convention have not been published. See, W. M. Leiserson, Survey, 31:165, Nov. 8, '13.

In general, then, it may be concluded that the public employment agencies recognize no formal limitation on their field of operations. When they are interested primarily in assisting the employers, they secure laborers in any locality in which they are available, though giving the preference to citizens, since they have an interest in keeping the citizens employed. When they are interested primarily in assisting the unemployed, they attempt to secure positions for them in the locality, if possible, but do not restrict their efforts entirely to the community. The superintendent of the Seattle municipal agency has justified this inter-local work by the arguments, first, that it takes from the city the rough and dangerous unemployed, and, secondly, that when employes finish their engagements they come to Seattle to



spend their money with the merchants of that community, since it is known that Seattle has the best facilities for securing other engagements.

Washington, 2nd Biennial Report Bureau of Labor Statistics, 1897-98, p. 158.

But though these agencies do not recognize any formal limitation of their area of operations, the efforts at co-operation are limited almost entirely to intra-state agencies, and there is very little actual co-operation between the agencies of one state, or even between the agencies in one city where, as in Chicago, there is more than one agency in a city.

Sargent, loc. cit., pp. 50, 68.

It is reported, however, that the public agency in Duluth, Minnesota, co-operates with the public agency in Superior, Wisconsin.

Sargent, loc. cit., p. 98.

and that the public agencies in New York, Connecticut, Illinois and Missouri have co-operated with the Kansas Bureau in the distribution of farm laborers.

Kansas, 3rd Annual Report of Director of Free Employment Bureau, 1903, p. 9.

Though there is little evidence of active co-operation between public employment agencies, either in the inter-communal or inter-state placements, there is evidence that the agencies have some slight degree of success in securing employment for applicants in localities other than the home community. A large number of the agencies report that they have received calls from and made placements in many other places than their own localities, these being sometimes in the same state, frequently in distant states. But few of the agencies publish records of their inter-communal work; most of the agencies that publish such reports have been municipal agencies, and there is no basis for generalization from these statistics to the expected records of the state agencies. The work of the Kansas state agency, of the agencies maintained by the departments of agriculture in Wisconsin and New York and the Bureau of Immigration, is almost entirely inter-communal, since these agencies were organized for the purpose of the distribution of labor either to the farmers or else out of the cities. The Boston agency, places more men as farm hands than in any other occupation.

Massachusetts, 38th Annual Report of Statistics of Labor, 1907, p. 445. and the Pueblo agency claims that it furnishes 90 per cent of the farm help of that vicinity.

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 204.

In Chicago, however, very few applicants are sent outside of the city by the state agencies,

Sargent, loc. cit., p. 50.

and in New York, in the year 1903-04, 28.4 per cent of the males and 5.9 per cent of the females who were reported as securing positions were located outside the city of New York. Some of the western municipal agencies show a much greater amount of inter-communal work than these state agencies: in Butte, in the year 1910, 67.7 per cent of the males and 32.9 per cent of the females who were reported as securing positions were placed outside the city of Butte, and in Great Falls, for the same year, the corresponding figures were 56.8 per cent and 52.7 per cent. In Portland during the period from October 1, 1909, to December 31, 1910, 12.9 per cent of all persons reported placed were located outside the city; in 1905, of all persons reported placed by the Duluth municipal agency, 19.4 per cent were placed outside the state and 25.8 per cent in the state, but outside of the city of Duluth.

The efficiency of the public employment agencies in such inter-communal work must be judged, however, not only by the proportion of such placements to the entire number of placements, but also, by the success in accomplishing a controlled and adequate general distribution of the labor supply.

It is evident, from this point of view, that the public employment agencies have no system or method by which they can furnish to the unemployed continuous information in regard to opportunities for employment. If the applicant is sent to a distant community, he is as helpless after the engagement is finished, as though he had been sent by a private agency. The state agencies have no extensive system of information that will re-direct him to other employment. The worker must make his own way by his own efforts or by other assistance which he can secure.

Conference of State Immigration, Land and Labor Officials, 1911, p. 17.

The reports of demands for harvest hands which are published in the newspapers are of some value in this re-direction, but there is no system of definite and continuous information.

Kansas, 11th Annual Report of Free Employment Bureau, 1911, pp. 5-6.

Consequently, the public employment agencies have generally failed in the organization of the inter-communal labor market; there has been no actual co-operation between the different state agencies, either intra-state or inter-state, that has been significant in results. No agency has a system of determining the demands for labor in territory outside of its own locality; the proportion of positions secured in other communities varies greatly in the different agencies, but in no agency are there any means for keeping the person who is sent into another locality informed in regard to further possibilities for employment. From the standpoint of the ideal organization of the labor market, as determined by the students of unemployment, the existing system of public agencies is of no more value in the inter-communal placements than the non-public agencies, for there is no organization which will make wandering in search of work unprofitable, and no technique for furnishing the unemployed with definite and continuous information in regard to opportunities for employment over a wide area.

This study of the success of the public employment agencies leads to the following conclusions: (1) There has been a steady increase in the number of such agencies since 1890; (2) the success or efficiency of these agencies cannot be determined from their reports because of the very inadequate methods of keeping and presenting their records, but all indications are that the reports very greatly magnify what has been accomplished; (3) in Kansas City and Milwaukee, which had state agencies fairly representative of the general type, new agencies which were established have far outstripped the old, thus showing the failure of the old to accomplish the full possibilities; (4) moreover, for all of these agencies it may be said that they are merely additional distinct and non-co-operating centers in the labor market, limited in actual practice almost entirely to the unskilled workers and to temporary engagements, limited either to placements within a city or to placements outside the city on the basis of almost insignificant knowledge of the demand for labor, and in all cases failing to co-operate with other public or non-public agencies in any organized way; (5) because of the specialization on unskilled labor and casual employments, it is possible that the public agencies, like the non-public, may have aggravated the situation by making it easy to get into casual employment and difficult to leave it; thus that they may have tended to promote the process of casualization. Consequently, it may be concluded that the public agencies have been no more successful than the private or philanthropic employment agencies in organizing the labor market.

In consideration of this general failure on the part of the public employment agencies to organize the labor market either within a given locality or within a larger area, it is important to attempt to determine the reasons for this failure.

The fundamental explanation of the failure of the public employment agencies to organize the labor market is found in the fact that these agencies have not been established or maintained for that purpose, and, with a few exceptions in the last half-decade, have not had any ideal of such



organization. They have been primarily an attempt to protect the unemployed from the private employment agencies, and based on the following scheme of thought: Very many of the private employment agencies are dishonest, fraudulent and unscrupulous; the unemployed are not in a position to make advantageous bargains with these agencies, or to protect themselves from impositions; the employment agencies are trafficking in the very important commodity of human labor, and especially when they are dealing with ignorant foreigners and the unprotected unemployed, are performing a function which is of such vital importance to the state that it should not be related to the desire for financial gain; even if the private employment agencies are honest and their fees reasonable, the unemployed are kept from working because of inability to pay the fees, or if they are able to pay fees, do so only with great hardship, and thus a few private employment agents are enriched at the expense of the portion of the population least able to contribute to the support of others; moreover, there is no reason why any one should be compelled to pay a fee in order to secure an opportunity to work. Therefore, according to this argument, it would be cheaper for the people of the state, it would protect the unemployed and it would be a well-merited service to the unemployed, if the state maintained free employment agencies; this would decrease the necessary expenditures for charities, since people become objects of charity because of their inability to pay fees to secure positions which would enable them to be self-supporting, and because of the frauds practiced upon them by these private agencies; in either case, individual degeneracy and crime result from such unemployment, and the establishment of public employment agencies would thus be a means of preventing degeneracy and crime. The public agencies were expected to eliminate the private employment agencies, and this was justified, partly, on the ground that they were all fraudulent, partly on the ground that if some were honest and reasonable, it was impossible to differentiate them from the fraudulent agencies; the competition of the public agencies was expected to eliminate the private agencies because, it was argued, applicants for employment would not go to the agencies to which they were required to pay fees if they could secure free services in the state agencies.

There is very little indication, especially previous to 1906, that there was any definite consideration given to the possible superiority of these public agencies in regulating the distribution of labor, few arguments that these public agencies would reduce unemployment except by reason of the free service, and little hope that they would prevent wandering in search of work. The attention was centered on the police protection and charity aspects of the problem, and it was this direction of the attention, the result of the problem of the times, that determined the methods and efficiency of the agencies. The following material is presented as evidence in support of this interpretation of the failure of the public agencies:

The evils of private employment agencies had been receiving considerable attention before any efforts other than regulations were made to control them; municipal ordinances had been passed in several of the large cities, and in 1885 Minnesota passed a statute. But the evils continued in spite of these regulations, as was made evident in an investigation in New York in 1886,

New York, 4th Annual Report of Bureau of Labor Statistics, 1886, pp. 23-61.

and in Ohio in 1888.

Ohio, 12th Annual Report of Bureau of Labor Statistics, 1888, pp. 262-67.

The Commissioner of the Bureau of Labor Statistics of Colorado, who made the first suggestion of public employment agencies which has received publicity, urged in 1887 that either the private agencies should be strictly regulated by law, or else public employment agencies should be established; he favored the latter method, and was instrumental in pushing into the legislature a bill to establish public agencies in all the larger cities of the state and to outlaw the private employment agencies. The bill failed because the



legislature was considering what was referred to in the Journals as a "similar bill," namely, a bill to regulate private agencies.

Colorado, House Journal, 1889, p. 388; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 363-69; *ibid.* 3rd Biennial Report, 1891-92, p. 162.

Thus the regulation of private agencies and the establishment of public agencies were considered as alternative methods of securing the same results.

The private-employment-agency animus is especially apparent in the establishment of the Ohio public agencies. This is evident from the fact that the suggestion for the establishment of such agencies was preceded by a study of the evils of private agencies, which presented the problem to the people of the state; from the numerous opprobrious epithets applied to the private agencies, such, for example, as "leeches engaged in sucking the life blood from the poor;"

Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, pp. 19-24.

from the report that in the first six months of operation the public agencies cost the state only \$5,000, while the workers placed through their assistance would otherwise have been compelled to pay fees to private agencies, amounting to \$20,132;

*Ibid.*, p. 19.

from the statements that the private agencies had been driven entirely out of three cities in which public agencies had been located, and the methods of the agencies in the other two cities had been greatly improved, in so far as the agencies had not been entirely eliminated;

Ohio, 16th Annual Report of Bureau of Labor Statistics, 1892, p. 17.

and by such explanations as that of the representative of Ohio in the National Convention of the Officials of the Bureaus of Labor Statistics in 1891, who, when asked the function of these public employment agencies, replied: "The particular function is \* \* \* to prevent poor people being robbed of their money by having to go to employment agencies that charge from one dollar to five dollars as a deposit. \* \* \* By our law we do away with these offices."

Eighth Annual Convention of Officials of Bureaus of Labor Statistics, 1891, p. 92.

Ohio, having started the movement with this purpose, was largely influential in determining the aims and purposes of the public employment agencies in the other states. This is not merely a case of imitation; the other states had the same problem of unemployment and of exploitation of the unemployed by the private agencies; in other states, as in Ohio, the problem of unemployment itself was considered too large for solution, but it was possible to prevent the exploitation of the unemployed; and the reputed success of the Ohio public agencies in abolishing these evils quickly spread to the other states, resulting in demands for the solution of their own problems. The method by which these reports spread was largely through the meetings of the officials of the bureaus of labor statistics and the interchange of reports. The reports on the success of the Ohio public agencies in the National Convention of the Officials of the Bureaus of Labor Statistics in 1891 had led the commissioners of labor in several of the states to make studies of their private employment agencies and to recommend legislation similar to that in Ohio. At the next convention of the officials in 1892 a resolution was presented, recommending to the legislatures of the different states the consideration of the advisability of establishing state agencies.

Ninth Annual Convention of Officials of Bureaus of Labor Statistics, 1892, p. 97.

The adoption of this resolution was moved on the ground that the establishment of state employment agencies "means the abolishment of a great stumbling-block now in the path of every unemployed workingman."

*Ibid.*, p. 96.

The merits of the resolution were argued entirely, aside from some technicalities of enforcement of laws, in terms of the evils of the private agencies.

The representative from Michigan moved as an amendment to this resolution that "in case said public employment offices do not find private employment for all those who need it, that it shall be the duty of the State to supply such employment." *Ibid.*, pp. 97-98. This amendment failed to carry. While this amendment indicates some attention to unemployment, as contrasted with the exploitation of the unemployed, it seems to have elicited no support.

This resolution was of immense importance in the direction of the movement for the establishment of public agencies. It was used as the basis, and, in some cases, as the principal argument for recommendation of laws in several of the states, and was referred to with commendation in several other states. In addition, knowledge of the Ohio public agencies was spread by visits made to Ohio by representatives from other states which were interested in the establishment of similar institutions, particularly from Iowa, Massachusetts, Missouri and Connecticut. Letters of inquiry were sent to the Commissioner of Labor of Ohio from all parts of the United States.

Ohio, 17th Annual Report of Bureau of Labor Statistics, 1893, p. 874.

The reply he made to the inquiries from Iowa is indicative of the general direction of thought at that time. He wrote: "The employment offices in Ohio are giving great satisfaction and have been the means of wiping out almost entirely the 'pay employment offices' which formerly existed in this state to an alarming extent."

Iowa, 5th Biennial Report of Bureau of Labor Statistics, 1893, p. 11.

The commissioners of labor in other states had similar attitudes toward the purpose of such agencies, for the Commissioner of Labor of Missouri stated in 1903 that the "important reason and sufficient justification for the free offices" is "the existence of the poor unable to pay fees,"

Missouri, 25th Annual Report of Bureau of Labor Statistics, 1903, p. 357. The Commissioner of Labor of Connecticut said somewhat similarly: "If there are sufficient unemployed in a state so that private agencies flourish, then there is a class of unfortunates which needs the assistance and the protection from imposition which a public office would give." 16th Annual Report of Bureau of Labor Statistics, 1900, p. 163.

and the Secretary of the Illinois Bureau of Labor Statistics has claimed that the system of public agencies in that state is due entirely to his report of 1898—in which the problem is stated as the exploitation of the unemployed, rather than as unemployment itself.

Seventeenth Annual Convention of Officials of Bureau of Labor Statistics, 1901, p. 160; Michigan, 25th Annual Report of Bureau of Labor, 1908, p. 471.

Investigations of private employment agencies have been made in many states as the necessary prerequisite of recommendation of the establishment of public employment agencies.

Sargent, *loc. cit.*, 39; California, 29th Assembly, Appendix to Journal, 1891, Vol. VII; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 344-69; Connecticut, 16th Annual Report of Bureau of Labor Statistics, 1900, pp. 164-65; Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890-91, pp. 217-37; Maryland, 5th Annual Report of Bureau of Statistics, 1896, pp. 64-78; *Ibid.*, 2 Annual Report, 1894, pp. 185-96; Massachusetts, 34th Annual Report of Statistics of Labor, 1903, pp. 207-13; Missouri, 13th Annual Report of Bureau of Labor Statistics, 1891, pp. 30-58; *Ibid.*, 19th Annual Report, 1897, pp. 486-88; Nebraska, 3rd Biennial Report of Bureau of Labor, 1891-2, pp. 573-85; New York, 4th Annual Report of Bureau of Labor Statistics, 1886, pp. 23-61; *Ibid.*, 17th Annual Report, 1899, p. vii, 1222-27; Ohio, 12th Annual Report of Bu-

reau of Labor Statistics, 1888, pp. 262-67; Wisconsin, 10th Biennial Report of Bureau of Labor, 1900-01, pp. 762-70.

But also in the states in which special local investigations were not made, there were reports in regard to the evils of such agencies in other states, on the assumption that similar evils existed or might come to exist in the states in question.

Colorado, 7th Biennial Report of Bureau of Labor Statistics, 1899-1900, pp. 292-314; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 46-64; Minnesota, 3rd Biennial Report of Bureau of Labor, 1891-92, pp. 20-32; Rhode Island, 14th Annual Report of Bureau of Industrial Statistics, 1900, pp. 82-89; Tennessee, 3rd Annual Report of Commissioner of Labor, 1894, p. 6.

In these reports the most severe epithets were applied to the private agencies, including such as "unscrupulous double-dealing villain," "spider and the fly," and the "most perfect expression of man's inhumanity to man."

Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890, pp. 217-37.

On the basis of the information secured in such studies the passage of acts to establish public agencies was recommended by the commissioners of labor and in some cases by the governors of the states.

Message of Governor Boies of Iowa in 1892, in 5th Biennial Report of Iowa Bureau of Labor Statistics, 1893, pp. 7-12; Message of Governor Turner of Illinois in 1899, in Illinois House Journal, 41st Session, 1899, p. 23.

There is further evidence of the purpose of such public agencies in the fact that there were frequent reports of the amount saved to the people of the state or the city, in the difference between the cost of such offices and the fees that would have been paid if the same number of persons had been located by private agencies.

California, 7th Biennial Report of Bureau of Labor Statistics, 1895, p. 33; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194; Massachusetts, 34th Annual Report of Statistics of Labor, 1903, p. 170; Missouri, 30th Annual Report of Bureau of Labor Statistics, 1908, p. 850; Oklahoma, 3rd Annual Report of Department of Labor, 1909-10, p. 504; Washington, 2nd Biennial Report of Bureau of Labor Statistics, 1897-98, p. 157.

The Secretary of the Illinois Bureau of Labor Statistics estimated that fees amounting to \$1,000,000 were paid to private agencies in Chicago in one year, and that the same number of persons could secure positions through public agencies at less than half the cost.

Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, p. 135.

While these estimates are of slight value in showing the actual saving to the people of a state.

See above, pp. 60-88; Massachusetts, Report of Commission to Investigate Employment Offices, 1911, pp. 12-13, 74.

they are of immense value in showing the purpose and aims of the institutions, and consequently of explaining their failure to organize the labor market.

Wide publicity was given to the success of the Ohio public agencies in eliminating and regulating the private employment agencies, and at the same time there were reports of the futility of attempts to regulate private agencies by direct legislation, for it was alleged that the charges for licenses and bonds were merely shifted by the agencies to their applicants, thus injuring them still more.

Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 129-32; Nebraska, 3rd Biennial Report of Bureau of Labor, 1891-92, p. 578.



Likewise in other states, after public agencies were established, there were similar reports in regard to the regulation and abolition of the private agencies by this competition.

Conner, loc. cit., p. 73; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 130-31; Michigan, 24th Annual Report of Bureau of Labor, 1907, p. 398; Michigan, 2nd Annual Report of Department of Labor, 1911, p. 29; Missouri, 20th Annual Report of Bureau of Labor Statistics, 1898, p. 219; Ohio, 16th Annual Report of Bureau of Labor Statistics, 1892, p. 17; *ibid.*, 20th Annual Report, 1896, p. 405; *ibid.*, 24th Annual Report, 1900, p. 440; Rhode Island, 24th Annual Report of Bureau of Industrial Statistics, 1910, p. 223; Washington, 2nd Biennial Report of Bureau of Labor Statistics, 1897-98, p. 161.

When the state agencies have failed to exterminate the private agencies, the superintendents have in some cases urged that the private agencies be outlawed and abolished either by excessive license fees or by direct legislation, and when the state agencies were first established in Illinois they were accompanied by regulations of private agencies intended to eliminate them.

Ohio, 20th Annual Report of Bureau of Labor Statistics, 1896, p. 405; Michigan, 2nd Annual Report of Department of Labor, 1911, p. 47; Illinois employment agency laws of 1899 and 1903.

In some cases the superintendents have admitted their inability to compete successfully with the private agencies and have urged the regulation of private agencies by licenses and bonds and inspection, while the superintendent of one public agency urged that a larger appropriation be granted in order to enable the public agency to compete successfully with the private agencies.

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 198.

There were other more objective indications of the police protection and charity purpose of the public employment agencies. One of these is the fact that it has been generally assumed, without any consideration of the question, that these public agencies are necessarily free agencies. Until 1906 the question was not raised at all, except in Los Angeles, where a fee of 25 cents was charged to the applicant for employment after 1904; previously the absence of fees was merely assumed as a necessary part of the public agencies. There were arguments against public agencies on the ground that because they were free, they would attract the shiftless, that the applicants would be careless about going to the positions offered, and that they would not be patronized by the self-respecting workers.

See, especially, California, 9th Biennial Report of Bureau of Labor Statistics, 1899-1900, pp. 79-80.

Such arguments were not raised, however, to prove that fees should be charged in the public agencies, but to prove that regulation of private agencies by licenses and inspection was preferable to the competition of public agencies. After 1906 the question of whether fees should be charged by public agencies was raised and is an indication of a change in attitude toward the purpose of such institutions.

Conner, loc. cit., pp. 4, 8-10; Sargent, loc. cit., p. 39; Massachusetts, Report of Commission to Investigate Employment Offices, 1911, pp. 77-79; Massachusetts, 38th Annual Report of Statistics of Labor, 1907, pp. 430-32.

Another indication of the relationship between the movement for the establishment of public agencies and the imputed evils of the private agencies is the failure to establish such public agencies during the industrial depression of 1892-95. During this period, in which there was a vast amount of unemployment and studies were being made in several states to determine the extent of unemployment and the best means to reduce it, little success attended the efforts to establish public employment agencies. But at the time of the depression the attention was centered on unemployment rather than on the protection of the unemployed. Consequently, the contention was raised more during this period than at any other time that public agencies

had succeeded in doing little more than take the places of some of the private agencies and had not succeeded in reducing the amount of unemployment. Unemployment in itself did not seem to be a sufficient reason for the establishment of such offices. In Massachusetts a careful study was made of the various solutions of the problem of unemployment, and in both 1893 and 1895 it was recommended that the expense incurred in the maintenance of public agencies did not justify their existence, and in 1895 it was urged in addition, that instead of attempting to drive out the private employment agencies, as had been attempted in Ohio, the state should have a series of reports from different parts of the state in regard to the labor market, so that thereby it would be possible for workers all over the state to have information regarding the possibilities of work.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part. V, pp. lii-lxiii.

In addition, the failure of bills for the establishment of public agencies in Iowa, California, Massachusetts and Missouri during this period is to be explained by the fact that when the attention was centered on the means of reducing unemployment, the public employment agency offered to them no solution of the problem.

The Rhode Island state agency, however, was established as the direct result of the industrial depression of 1907-08; a census of the unemployed was taken, and the information secured in this census was the basis for the demands for public agencies which should have the function of decreasing the amount of unemployment. This same tendency was manifested previously in Massachusetts in the law of 1906, which was passed after seven previous bills, introduced into the legislature during the period from 1893 to 1905, had failed. Aside from these two agencies, there are no clear cases of the establishment of public employment agencies for the purpose of preventing or decreasing unemployment.

Conner states, loc. cit., p. 67, that the Seattle municipal agency was established without reference to the evils of the private employment agencies. There is little evidence accessible in regard to the establishment of this agency, but there are evidences, to which reference is made above, pp. 146-147, that it was maintained partly, at least, as a competitor of private agencies.

It would be fallacious, however, to assume that the movement for the establishment of public employment agencies can be explained entirely in terms of the evils of the private employment agencies. Various other factors appear, and the entire situation must be taken into consideration for an adequate explanation of the movement. But these other factors are vague, indefinite and distinctly secondary in the ideals of the agencies before 1906 and in most of the agencies since 1906.

There were some assumptions that the public agencies would reduce the amount of unemployment.

California, 5th Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 12-13; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 368-69; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 44-45; Maryland, 9th Annual Report of Bureau of Statistics, 1900, p. 111; Michigan, 29th Annual Report of Bureau of Labor, 1912, p. 18; New York, 14th Annual Report of Bureau of Labor Statistics, 1896, p. 1023; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 25; Oklahoma, 3rd Annual Report of Department of Labor, 1909-10, p. 504; Rhode Island, 22nd Annual Report of Bureau of Industrial Statistics, 1908, p. 563.

but there was no definite argument to show how such public agencies would accomplish this, and practically no attempt to show that public agencies would have any advantage over other kinds of employment agencies, except in the fact that they were free—which fact was merely taken for granted as a necessary part of the public agency—and that they would not be fraudulent. In one case it was argued that they would be more efficient than private agencies because disinterested, but even by this it was not meant that they would



be more efficient in decreasing unemployment, but only in serving the employers, since their disinterestedness would enable them to choose workers who were adapted to the positions offered by employers, while private agencies sent any available worker in order to get the fees.

Connecticut, 17th Annual Report of Bureau of Labor Statistics, 1901, p. 12; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 25.

And more recently the Commissioner of the Department of Labor of Oklahoma, has claimed that the public agencies of that state saved \$51,252 to the state in one year because positions were filled more quickly than they would have been in private agencies.

Oklahoma, 3rd Annual Report of Department of Labor, 1909-10, p. 504. This claim, however, has no justification from any facts presented in the report.

There were other arguments that such public agencies would be a net financial saving to the people of the state,

California, 5th Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 12-13; Connecticut, 15th Annual Report of Bureau of Labor Statistics, 1899, pp. 137-70; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 19; Washington, 2nd Biennial Report of Bureau of Labor Statistics, 1897-98, p. 157.

would reduce the amount of charity and crime,

California, 5th Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 12-13; Connecticut, 15th Annual Report of Bureau of Labor Statistics, 1899, pp. 137-38; Maryland, 9th Annual Report of Bureau of Statistics, 1900, p. 111; Massachusetts, 34th Annual Report of Statistics of Labor, 1903, p. 210; New York, 14th Annual Report of Bureau of Labor Statistics, 1896, p. 1023; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 25; *ibid.*, 16th Annual Report, 1892, pp. 12-13; Oklahoma, 2nd Annual Report of Department of Labor, 1908-09, p. 13; West Virginia, 7th Biennial Report of Bureau of Labor, 1901-02, pp. 93-94.

and would decrease the necessity of tramping in search of work.

Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890, pp. 2-3; North Carolina, 7th Annual Report of Bureau of Labor Statistics, 1893, pp. 629-30; Rhode Island, 24th Annual Report of Bureau of Industrial Statistics, 1910, p. 223; Wisconsin, 10th Biennial Report of Bureau of Labor, 1900-01, p. 761.

In these arguments there seems to be a vague conception of something else than protection of the unemployed from the private employment agencies, but there is no specific indication of how it was expected that these results would be accomplished by the public agencies, or what advantage the public agencies would have over the non-public agencies except in regard to the greater honesty of the public agencies and the free service.

In Massachusetts and a few of the other states, since 1906, it has been claimed that public agencies would assist employers and employes to meet and would thereby be of service to both parties. It was contended in Iowa very indefinitely,

Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890, pp. 2-3, and in Massachusetts, in 1895, much more definitely that the private and philanthropic agencies did not secure definite information in regard to the general labor market of the state; the Massachusetts Board of 1895, however, considered that public employment agencies, also, would be inadequate to secure such information.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, p. lxii.

The Michigan Commission of Labor made a still more definite approach to the question of unemployment in the argument that labor is a perishable commodity, that both employer and employe suffer if all the opportunities for employment are not filled and that therefore it is necessary to supplement the industrial organization by means of public employment agencies.

Michigan, 29th Annual Report of Bureau of Labor, 1912, p. 18.



It is undoubtedly true that the public agencies were expected to help employers as well as workingmen, but there have been no attempts to show definitely how this would be accomplished, except in the efforts to assist farmers to secure agricultural laborers, in which case the expected assistance to the farmers has been concisely formulated.

Conner, loc. cit., pp. 52-53; Kansas, 1st Annual Report of Director of Free Employment Bureau, 1901, pp. 6-8; New York, 17th Annual Report of Commissioner of Agriculture, 1910, pp. 162-73; Ibid., 19th Annual Report, 1912, pp. 334-40; Sargent, loc. cit., p. 140.

It may be concluded, then, that the public employment agencies have been established and maintained primarily and almost entirely for the purpose of protecting the unemployed against the private employment agencies, and of enabling them to secure employment without paying fees. They have not had the purpose, characteristically, of reducing unemployment, nor have they been established to solve the problem of unemployment. Their methods have, consequently, been determined with reference to competition with private employment agencies. Therefore, it is not difficult to understand why the public employment agencies have not succeeded in organizing the labor market as the students of unemployment demand.

Failure of the public employment agencies to organize the labor market is explained, also, by the fact that there has been no general and active public demand for them. It is reported that the Seattle agency was the result of an almost unanimous vote of the people of the city,

Conner, loc. cit., p. 67.

and there has been competition between cities in Connecticut, Massachusetts, Minnesota and Ohio to secure the location of agencies;

Conner, loc. cit., pp. 11, 38-39; Ohio, 29th Annual Report of Bureau of Labor Statistics, 1905, pp. 9-10.

this interest seems to be confined, however, largely to the rivalry between cities in the desire to have equal facilities, for it is reported that the public in general in Connecticut and Massachusetts have shown no desire for such agencies,

Conner, loc. cit., p. 11; Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, p. lxi,

while in other states it has been complained that the public was apathetic and ignorant of the existence of these agencies, or even slightly hostile.

Conner, loc. cit., pp. 32, 42; Indiana, 14th Biennial Report of Department of Statistics, 1911-12, p. 69; Maryland, 15th Annual Report of Bureau of Statistics, 1906, p. 125.

There has been no vital connection between the general public and the movement for the establishment of the public employment agencies.

Conner has stated that "the active supporters of this movement are the labor unions."

Loc. cit., p. 88.

The Ohio law was drafted by the Municipal Labor Congress of Cincinnati, the central labor organization of the city;

Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, pp. 20-21.

in Portland the idea of a municipal employment agency was presented to the mayor by the Central Labor Council, which, also, has assisted in the management of the agency since its establishment;

Oregon, 4th Biennial Report of Bureau of Labor Statistics, 1908-10, p. 73.

in Tacoma the unions secured the sanction of both political parties to a bill for such agencies and pushed it through the council;

Conner, loc. cit., p. 72.

while in Montana,

Conner, loc. cit., p. 50.

Colorado,

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194.

and Los Angeles,

Conner, loc. cit., p. 8.

the public agencies are reported to be the result primarily of the activities of the labor unions. The unions favored the passage of laws or were more or less active in urging them in Connecticut,

Conner, loc. cit., p. 11.

in Iowa in 1893 and again in 1906,

Iowa, 5th Biennial Report of Bureau of Labor Statistics, 1893, p. 12;

Downey, History of Labor Legislation in Iowa, p. 189.

in Indiana,

Sargent, loc. cit., p. 42.

Nebraska,

Nebraska, 4th Biennial Report of Bureau of Labor, 1893-94, p. 529.

Rhode Island,

Sargent, loc. cit., p. 119.

and Wisconsin.

Conner, loc. cit., p. 78.

But these reports of agitation and demand by trade unions are not specific; the demands seem to mean in many cases only that some unions passed resolutions in favor of such agencies, which may mean only that the unions were not hostile to them. In California the unions assisted the Commissioner of Labor, who had opened a public employment agency in San Francisco without specific legislative enactment, by collecting funds from the public for the maintenance of such an agency.

E. L. Bogart, Quarterly Journal of Economics, 14:359. May, 1900.

In Oklahoma the State Federation of Labor, the Central Trades and Labor Council of Oklahoma City and the Painters' and Decorators' Union of Oklahoma City urged that the first state agency be moved from Guthrie to Oklahoma City.

Oklahoma, 1st Annual Report of Department of Labor, 1908, pp. 171-72.

In Missouri the unions were not influential in the establishment of public agencies, but have urged an extension of the services to other cities.

Conner, loc. cit., p. 42.

In Illinois, where, also, the unions were not active in securing the passage of the act, they have in some cases urged an extension of the system; in 1913 at a joint meeting of eight organizations of cooks and waiters in Chicago a resolution was adopted demanding the abolition of private employment agencies, and the extension of the state employment agencies; this resolution was endorsed by the Chicago Federation of Labor on March 2, 1913, and the legislative committee of the Federation was instructed to use efforts to secure the passage of a bill to that effect.

Minutes of meeting of Chicago Federation of Labor, March 2, 1913.

On the other hand the trade unions have been quite definitely hostile to the establishment of such agencies in other cases. In New Jersey a bill presented to the legislature in 1907 failed, mainly because of the opposition of the trade unions.

Letter from Chief of Bureau of Labor Statistics of New Jersey, May 6, '12.

In 1896 a citizens' committee in Grand Rapids, Michigan, had plans under way for the establishment of a municipal agency, but the plans were abandoned because of the opposition of the unions of that city.

Bogart, Quarterly Journal of Economics, 14:363-64, May, 1900; Conner, however, states that in 1905 the unions of Michigan as a whole were not inimical to this movement. Loc. cit., p. 35.

In Massachusetts, though the unions seemed indifferent in 1893,

Massachusetts, 24th Annual Report of Statistics of Labor, 1893, p. 263.

they manifested opposition in 1895 because of the fear that such agencies would be used to secure strike-breakers for the employers.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, pp. lx-lxi.

Moreover, President Gompers of the American Federation of Labor has expressed the fear that such agencies will be used for strike-breaking purposes, and for the distribution of immigrants to take the places of Americans, and maintains that these agencies are a subtle scheme of the steamship combinations and employers' associations to get cheap labor in the United States; he believes that trade union agencies for migratory labor will be much more effective than public agencies could be.

S. Gompers, American Federationist, 17:993-95, Nov., '10, and 19:43-44, Jan., '12.

The commissioners of labor of some states have asked the trade unions or some of the individual trade unions in regard to legislation that is considered desirable; the replies should be indicative of whether the trade unions consider public employment agencies essential. In Iowa in 1903 replies were secured from 170 unions, representing 46 different occupations, and no demand for public agencies was made by any of these, though the unions had twice given their formal endorsement to the public agencies;

Iowa, 11th Biennial Report of Bureau of Labor Statistics, 1903-04, pp. 292-94.

in Missouri in 1901 replies were received from 71 unions, one of which urged an extension of the state employment agencies;

Missouri, 23d Annual Report of Bureau of Labor Statistics, 1901, pp. 342-57.

in Colorado in 1899 the commissioner asked 706 individual members whether they favored or opposed public employment agencies; of these 662 are reported as favoring public agencies, 44 as opposing; but when they were asked for general expressions of desires for legislation, and no reference was made to public agencies in the question, only eleven out of 706 mentioned them.

Colorado, 7th Biennial Report of Bureau of Labor Statistics, 1899-1900, pp. 99-124.

In these replies, in which public agencies receive such slight attention, there are many other demands which have a bearing on unemployment, either by increasing the demand for labor or by restricting the supply of workers; such demands are represented by the following: shorter workday, child labor laws, apprenticeship laws, requirement that railways do all their repair work in the state, requirement that work on state buildings be performed by citizens of the state, printing text-books in the state, preventing convicts from learning stone-cutting, etc. Thus it appears that when the unions have their attention called to the public agencies, they are sometimes favorable, but do not attribute great importance to such agencies.

On the whole it cannot be stated that there has been any consistent trade union attitude toward this movement; they have been very active and energetic in a few cases, and are undoubtedly directly responsible for the establishment of a few of the agencies. But many of the resolutions and so-called demands do not have great significance. The most wide-spread attitude, so far as the evidence justifies a generalization, is that the unions have been indifferent toward the establishment of such agencies and equally indifferent in regard to their success. The trade unions have not expected any assistance for their own members from such agencies, and undoubtedly would oppose the extension of these agencies to include their own members;

See below, pp. 123-28, 137-38.



in so far as the unions have manifested a favorable attitude toward public agencies it has been with the prospect of assisting the unorganized and unskilled workers. This friendly attitude is due, first, to sympathy with the unemployed, partly because of the unemployment itself, and partly because of the reputed impositions on the unemployed by the private employment agencies; secondly, to the desire to decrease the number of the unemployed as much as possible in order to facilitate the operation of their own policies, for the presence of the unemployed person in the labor market is regarded as a great hindrance to the securing of the demands of the unions; any method of decreasing the number of the unemployed, by reducing the potential competition, would be interpreted as promoting the union program.

On the other hand, opposition to the establishment and maintenance of such public agencies has been expressed by the trade unions, and is based on the arguments that public agencies would facilitate immigration and thereby increase the potential competition, and that in industrial disturbances such agencies would be a positive menace to the trade union policies by assisting employers to secure strike-breakers. In addition there is some opposition on the ground that the workers should combine for their own protection, and that the state-care represented in a bureaucratic system, such as the public employment agencies are considered to exemplify, is degrading. Consequently, the trade unions are attempting to organize the unskilled workers and establish co-operative, rather than governmental employment agencies for them. This plan is an additional incentive to opposition to the public agencies, since such public agencies would decrease the advantages to be offered to unskilled workers as a result of organization into unions.

The trade union attitude, in so far as it is indifferent, is not merely the indifference of the general public, but is due to their emphasis on other policies for preventing unemployment and for improving conditions of employment.

President Gompers has written, "In the prevailing judgment of trade unionists, the order in which protection to the workers should come from the state does not bring labor exchanges to the forefront in this country. . . . Before trade unions can devote much time to the promotion of labor exchanges, they want better factory and mine inspection, better methods of protection against accidents, a better system of compensation for accidents, better child-labor laws—yea, a heap of better conditions for the wage-earners at work." *American Federationist*, 17:993-95, Nov., '10.

Unions insist on a shorter workday and one of the reasons given for this is that it will make work for more employes, and hence prevent unemployment; and there are many other demands, which, according to their theory, have a much more important bearing on unemployment than do the public employment agencies—such as restriction of immigration and prevention of child labor. It is not necessary to agree with the validity of this logic in order to realize its importance in determining the attitude of the unions toward the establishment of public agencies.

Hourwich seems to have missed the point of the trade union attitude when he states that "organized labor prefers to leave the distribution of labor in the hands of padroni and employment agents." *Immigration and Labor*, p. 147.

Consequently there seems to have been no strong and recognized trade union attitude that would make it necessary for legislators to consider the public agencies as supported and favored by the unions.

A study of the accessible facts shows, also, that the employers and the employers' associations have made no clear demand for public employment agencies. In fact, Conner states that the most active opponents of the public employment agencies have been the anti-union employers' associations, the citizens' industrial associations and the manufacturers' associations.

Conner, loc. cit., p. 88.

But such associations have by no means been unanimous in their opposition. The Manufacturers' Association of Baltimore advertised the public agency of that city by sending to all its members letters announcing the opening of the agency.

Maryland, 12th Annual Report of Bureau of Statistics, 1903, p. 95.

In some of the public agencies unskilled help is furnished for employers' associations.

Sargent, loc. cit., p. 42.

In two of the Wisconsin agencies and in the municipal agencies in Portland, Tacoma and Everett the employers' associations co-operate in the management of the public agencies. On the other hand the fact that the Evansville, Indiana, Manufacturers' Association opened an employment agency under their control in that city at the same time the public agency was opened there might be indicative of opposition.

Indiana, 14th Biennial Report of Department of Statistics, 1911-12, p. 69.

But the only notable and clear cases of opposition to public agencies by employers' associations have been in Iowa and Illinois, and both of these are explicable in view of particular local conditions. In Iowa the employers opposed the efforts for the establishment of public agencies in 1892 and 1894, but the most ardent advocate and supporter of this movement, and the one in whose control the agencies, if established, would be placed, was J. R. Sovereign, Commissioner of the State Bureau of Labor Statistics, who was at the same time the State Master Workman of the Knights of Labor, and had published a labor journal for seven years. The Iowa State Manufacturers' Association and the Citizens' Industrial Alliance opposed the establishment of public agencies in 1906, also; but again they feared that the agencies would be under the control of the unions of the state, and would either formally or informally make it impossible for non-union workers to secure employment.

See letter sent to the members of the Association by the legislative committee of the State Manufacturers' Association, urging opposition to the proposed law, in Conner, loc. cit., pp. 92-93; Downey, op. cit., p. 190.

Some of the employers in Illinois, also, opposed the law of 1899, and assisted in testing its constitutionality; but this law had a provision that public agencies should not assist employers in times of strike; the principal objective of the employers in their opposition seemed to be this clause.

Illinois, 6th Annual Report of Free Employment Offices, 1904, p. 3.

Other employers than those represented in associations have developed no clear or consistent attitude toward public employment agencies. They have manifested no characteristic attitude either of opposition or of urgent support.

See, however, Oklahoma, 1st Annual Report of Department of Labor, 1908, p. 172; Massachusetts, 24th Annual Report of Statistics of Labor, 1893, p. 263.

Thus the employers as a whole have made no consistent or active demand for public agencies. Their attitude has been most generally one of indifference, and their replies are indicative of little consideration of the question. In some cases their hostility is due to two underlying attitudes—an opposition to all extension of state functions except such as promote the interests of business, and a desire to keep the labor force under their own control, and to retain the ability to debar union agitators from their employment without the publicity that would be necessary if formal requests to that effect were made in patronizing public agencies. Some employers have shown a kindly and sympathetic interest in these agencies as a means of solving the problem of unemployment, and a business interest in improving the facilities for securing labor.



Farmers have been active in advocating public agencies in a few cases in which the primary purpose was to assist them in securing agricultural labor, as in the Kansas agencies, but as a whole the farmers have had no appreciable effect on the movement.

Conner, loc. cit., p. 11.

In the large, the public employment agencies have resulted from the work of the commissioners of labor of the different states, who have been able to succeed in their efforts, not because of a general public demand or a demand backed by strong and persistent interests, but because of a lack of general opposition. Some of the commissioners have made frank statements of the individual origination of the public agencies. Mr. David Ross, Secretary of the Illinois Bureau of Labor Statistics, stated in regard to the public agency law of Illinois, "I am pleased to report that that measure emanated absolutely from the Bureau of Statistics of Labor."

Proceedings of 17th Annual Convention of Officials of Bureaus of Labor Statistics, 1901, p. 160.

Eight public agencies have been established by these commissioners without legislative enactment.

See above, p. 60.

Moreover, the general account of the motivation of the public agencies reveals the close connection between the public agencies and the commissioners of labor.

See above, pp. 90-101.

The commissioners would have been unable to succeed in their efforts except for the problem presented by the existence and exploitation of the unemployed, but so far as agitation and demands for agencies influenced the legislatures, the commissioners seem to have been primarily the ones to whom the movement owes its origin and existence.

Because of this lack of a strong, persistent popular demand for the public agencies, together with the purpose generally inherent in the efforts to secure such agencies, there has been no sufficient financial support of the public agencies and no development of methods and technique adequate to an organization of the labor market. And it has been possible, moreover, for these agencies to be regarded as opportunities for political appointments, which would make their efficient management extremely difficult.

Complaints have frequently been made in regard to the meagre financial support,

W. M. Leiserson, *Compte Rendu de la Conférence Internationale du Chômage*, 1910, Vol. II, p. 7; Michigan, 24th Annual Report of Bureau of Labor, 1907, p. 388.

and the failure of some of the public agencies has been explained as due to the inadequacies of their resources.

New York, Report of Commission on Unemployment, 1911, pp. 14, 124; Conner, loc. cit., p. 53.

The appropriations for various offices range between \$15,856.11, which was expended by the Boston office in 1911—which is probably the best equipped agency under public control in the United States—to nothing, as was the case the first year in the Indiana agencies. The appropriations for the Ohio agencies seem to be typical; in 1910 these agencies expended an average of \$443.25 each, in addition to the salaries of a superintendent and a clerk in each office.

Because of these small appropriations, the public agencies have been unable to advertise at all, or have advertised only intermittently and scantily; they have been unable to have business agents conferring with employers; they have been unable to secure quarters that would permit of separation of the skilled from the unskilled workers, or even to have adequate telephonic communication with the employers. There has been in most cities no one man who was a student of the situation, and who had the problem



of adjusting the agencies to the demands of the situations. The superintendents and clerks have frequently been compelled to do other work than that for the unemployed, either for the bureau of labor statistics or for the school board.

Moreover, the public agencies have been regarded as political possibilities, and the superintendents have been changed frequently with changes in political parties, thus preventing a continuity of plans or policies, as well as a lack of interest in long-time policies. In only three states are these offices under civil service, and even civil service is not entirely successful in eliminating changes for political reasons. In Ohio the changes in the commissioners of labor in 1892, 1896, 1898 and 1900 were attended by changes in from two to all of the superintendents of the agencies. These frequent changes in control prevent consistent development of public agencies along business lines, and have been largely instrumental in the failure to organize the labor market.

Both the inadequate financial support and the resulting inadequate methods and the political connections of the public agencies are the result of the lack of a strong popular demand for the public agencies and of the purpose for which these agencies were established and conducted.

This survey of the development and activities of the public employment agency leads to the conclusion that they have not succeeded in organizing the labor market, they have been local and distinct centers, patronized primarily by the unskilled laborers and domestic servants; they have neither secured an active co-operation with other public agencies nor with the non-public agencies, and hence have not become central agencies into which the others could pour their surplus demands and supplies; they have not secured sufficient information about the labor market to have an appreciable result on the value of wandering in search of work, and hence have not been influential in decreasing that custom. There are probably few cities in the United States in which there are not private agencies doing a more flourishing business than the public agencies.

This failure to organize the labor market is to be explained by the fact that they were maintained, not for the purpose of dealing with the problem of unemployment, as such, but for the purpose of protecting the unemployed against the alleged dishonest practices of private employment agencies and of furnishing institutions in which workers could secure positions without the hardship of fees. Moreover, there was no clear and insistent demand for such agencies, consequently no adequate financial support to enable them to develop methods and a technique adequate to control the distribution of labor, or to secure definite and continuous information in regard to the demand or supply in the labor market. They have been political openings for the party in control, subject to frequent changes, and a continuity of policies has, thus, been impossible.

Consequently it may be concluded that no factors or forces appear in this analysis which are inherent in the situation in such a way as to doom any system of public agencies to failure. The failure of these public agencies gives no basis for an inference that any public agencies must fail to organize the labor market. The organization of the labor market is a function which has been assigned to the public agencies only within recent years; failure to perform this function previously was due to the fact that a different problem was presented in the earlier years, and no ideal such as the organization of the market was essential to the solution of that problem. The problem of the public agencies has been the protection of the unemployed, rather than unemployment, as such; failure to solve this larger problem was the result of the fact that they were not trying to solve it; but there is no justifiable implication from this that the problem is insoluble.

## CHAPTER V.

## POSSIBILITIES IN THE FUNCTIONING OF PUBLIC EMPLOYMENT AGENCIES.

In view of the general failure of public employment agencies in this country, the question of the possibility of organizing the labor market by this means is necessarily raised. Is it possible to secure an organization such as that presented as a standard by the students of unemployment in view of the situation in which the agencies are to be located? Is the distribution of employment and of unemployment such as to permit this ideal program to work out successfully? Is the attitude of the trade unions, the employers' associations and the other possible patrons of the agencies such that the general success of the policy seems probable? These problems are raised particularly with reference to the United States; some indications, however, of the possibilities may be secured from the operations of the public employment agencies in other countries, especially in England and Germany.

The improvements that have been made in the agencies in some states and cities are evidence of the possibility of accomplishing more in the reduction of unemployment than has ordinarily been accomplished by public agencies. The lively interest in public employment agencies in recent years is evidence of an increased popular demand for such institutions, and this interest will be a more adequate basis for the development of new policies than has been possible heretofore. This is apparent particularly in the New York Commission on Unemployment in 1911, the Massachusetts Commission of 1910, the Chicago Commission of 1912, the formation of an American section of the International Association on Unemployment and the reorganization of the Wisconsin state employment agencies.

These modifications are an evidence and a result of the shifting of the problem. It is now being inferred that the best method of protecting the unemployed against the private employment agencies is by statutory regulation and inspection, and the function of the public agencies is shifting to the problem of unemployment as an industrial maladjustment. This change in attitude is partly due to a realization of the failure to eliminate the evils of the private agencies by the competition of public agencies, for they have generally failed even in that.

Abbott, loc. cit., 14:289-305; Conner, loc. cit., p. 73; Colorado, 12th Annual Report of Bureau of Labor Statistics, 1909-10, p. 14; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, p. 130; Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 7; Indiana, 14th Biennial Report of Department of Statistics, 1911-12, pp. 12-13; Kellor, op. cit.; Maryland, 14th Annual Report of Bureau of Statistics, 1905, p. 175; Massachusetts, Commission to Investigate Employment Offices, 1911, p. 97; Michigan, 1st Annual Report of Department of Labor, 1910, pp. 388-89; *ibid.*, 2nd Annual Report, 1911, p. 47; Nebraska, 11th Biennial Report of Bureau of Labor, 1907-08, p. 17; Ohio, 20th Annual Report of Bureau of Labor Statistics, 1896, pp. 405-06; *ibid.*, 21st Annual Report, 1897, p. 12; *ibid.*, 24th Annual Report, 1900, pp. 437-41; Washington, 4th Biennial Report of Bureau of Labor Statistics, 1903-04, pp. 217-54.

Some private agencies even maintained that the public agencies have been a benefit to them in assisting to form habits of depending on agencies rather than on personal application for employment, and in draining off the poorer workers who hamper the private agencies.

Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 8.

But with the shift in attention from competition with the private agencies to a more fundamental solution of the problem of unemployment, there



have been modifications of methods and technique. This is seen particularly in the new Wisconsin agencies, which have an ideal of securing a virtual monopoly of placement, not necessarily by eliminating the private agencies, but by securing a controlled knowledge in regard to the entire labor market which would eliminate the element of distinctness and separateness of the centers in the market. Such a system will undoubtedly drive a number of private agencies out of existence, but that is no more the fundamental purpose than it is to eliminate the previous public agencies which were not doing the work satisfactorily. The attempt is now being made to secure a co-ordination of all demands and supplies. Consequently, these new agencies have not adopted the methods of the private agencies, as the previous public agencies did, but have developed new methods and new technique. Free service would not be assumed in such a system, though it might be accepted because of its presumed value in promoting the efficiency of the public agencies. Efforts are being made to secure the cooperation of trade unions and employers or employers' associations in order to develop this unified system. The appointment of a state superintendent, whose duty is to study the entire situation with reference to unemployment, promises a better adaptation of the agencies to the needs of the labor market, while the removal of these agencies from the control of the politicians by civil service makes possible a greater continuity of plans and policies. The bulletins in regard to the labor market in Wisconsin, as, also, in Massachusetts, are evidence of the possibilities of securing wider information in regard to the labor market, though these bulletins are not sufficiently explicit and frequent to be, up to date, of great value in the actual direction of the workers. The Chicago Commission on Unemployment has made recommendations that aim at the breaking up of the three competing and distinct state agencies in Chicago and the substitution of co-ordinated efforts. The State Immigration, Land and Labor Officials have made demands for a nationalization of the work of employment agencies and a co-operation between the states. The formation recently of the American Association of Public Employment Agencies of the United States and Canada is an indication of increased co-operation between the agencies. A number of the states have been extending the agencies to the smaller cities, thus making possible a net of agencies covering the state; Indiana started its system with one agency in 1909, and then added four more in 1911; Michigan started with two agencies in 1905, added two more in 1907, one in 1908, and authorized five more in 1911, though no appropriation was made for them, and they have not yet been established.

These five agencies were to be located in Battle Creek, Bay City, Flint, Muskegon and Traverse City. Michigan, 29th Annual Report of Bureau of Labor, 1912, p. 18.

All of these movements have been or seem very likely to be productive of increases in the number of positions secured, in the patronage by employers and employes, and in general efficiency. They are all approaches to the ideal held by the students of unemployment. But these changes are comparatively recent and it is not yet possible to appraise accurately the results of such changes. It is, therefore, necessary to analyze more concretely the situation with which the agencies are attempting to deal in order to determine the possibilities of successful functioning.

A very fundamental factor in determining the possible success of employment agencies in reducing the number of unemployed is the distribution of unemployment. The general assumption on which employment agencies are based is that much unemployment is due to the maladjustment of labor, to the fact that there are demands for labor which, if known, would absorb many of the unemployed. There is no doubt of the existence of such maladjustment, but there is no statistical verification of the extent to which this is the cause of unemployment. The usual proof is a comparison of the statistics of unemployment kept by trade unions with the newspaper or other popular assertions in regard to demands for labor. Thus it is found that some members of the unions are unemployed at all times during the



year, and at some periods in the year employers through the newspapers spread the information that they are suffering from lack of labor.

The trade union statistics represent the number of members of the unions who are out of work on the last day of the month. This is not an assured representation of unemployment as a whole; moreover it does not represent pure unemployment alone, i. e., such as is caused by inability to find work when willing and able to work; it is complicated by such things as the desire to remain out of work for a short time between jobs, trade union standards which prevent members from working for certain employers, standards of workmanship which prevent skilled workers from accepting unskilled employment, etc. But there are no statistics with the least semblance of accuracy in regard to the demands for labor. It is necessary to rely on vague reports of lack of labor, on newspaper accounts which are often exaggerated.

This may be illustrated by the fact that the newspapers related that the Commissioner of Public Works of Detroit in a time of distress set afoot public works which called for 5,000 men, and that only 10 applicants applied and they all wanted to be bosses. Correspondence with this commissioner revealed the fact that only 500 jobs were offered and 3,000 men applied for them. *E. A. Ross, Atlantic Monthly, 105:307-08, March, '10.*

and on statements of employers which are made for the implicit purpose of inducing immigration and, by other means, securing a sufficiently large number of competitors for employment to keep down wages. There can be no doubt, of course, of the extreme need of employers for labor.

According to the newspapers the steel corporations and coal companies were hunting the prisons for workmen and paying their fines in order to secure them for employment. *New York Times, June 27, '12.*

but there are no statistics which will make it possible to determine the length of time for which such labor is demanded, or the extent of the unsatisfied demand for labor. Since there is no definite knowledge in regard to the extent of unemployment due to this maladjustment, there can be no certainty as to the extent to which unemployment can be prevented by efficient public employment agencies. Any decision in regard to this is largely assumption, made on the basis of scattered and inadequate statistics which treat labor as homogeneous and impersonal. In addition the theoretical question of the regularity of the demand for labor in general is complicated by assumptions in regard to the wages paid for such labor.

No one knows whether the demands for labor, even if regular on the whole, are of such a nature that it is possible to secure a complete dovetailing of occupations. Before definite knowledge in regard to the possibilities of transference of labor from one occupation to another can be had, it will be necessary to study not only the variations in the demands for labor in different occupations—and even that has not been done in an intensive way—but also the degree to which the skill required in different occupations is similar and can be transferred.

It is noteworthy that Webb first worked out his plan for organization of the labor market (Webb, *Public Organization of the Labour Market*, 1909), and then later made intensive studies of seasonal trades. (Webb, *Seasonal Trades*, 1912.)

The statistics of unemployment show that for the United States as a whole, and for each principal industrial state, the number of persons employed in the industries fluctuates regularly, with one crest in May and another in September or October. Whether this industrial variation would be off-set if non-industrial occupations were included in the statistics is uncertain. Likewise there are definite surpluses for the United States as a whole, and for each industrial state, in the number employed in busy years over the number employed in years of depression. Both the seasonal and the cyclical surplus of labor is reduced, to a certain extent, by variations

in immigration and by emigration, for, as Hourwich has stated, "Unemployment and immigration are the effects of economic forces working in opposite directions; that which produces business expansion reduces unemployment and attracts immigration; that which produces business depression decreases unemployment and reduces immigration."

Immigration and Labor, p. 145. Fairchild, however, states that emigration has a very trifling palliative effect on unemployment in times of crises. Immigration, p. 352.

Thus there is, on the whole, some doubt in regard to the extent to which public employment agencies, with an ideal organization and administration, could make a material reduction in the amount of unemployment, for it is agreed that public agencies could furnish employment only when there are positions offered by the employers.

But the public employment agencies are not undertaking to prevent all unemployment; they are merely a part of the more general program for the prevention and alleviation of unemployment. The particular function of the employment agency is to organize the labor market, and by that means to reduce unemployment as much as possible. Consequently, uncertainty in regard to the extent to which unemployment can be prevented by public agencies is not fatal to the efficiency of these institutions in the performance of their assigned function.

One of the ideals of the public employment agency is to promote a controlled mobility of labor, and thus to prevent the aimless wandering in search of employment, or the hawking of labor. In regard to this ideal it may be asked, Is it possible for public employment agencies to prevent the custom of wandering in search of employment? And, To what extent is an increase in mobility of labor probable?

There is no doubt that it is possible for the public agencies by means of more complete information in regard to demand for labor to reduce the habit of hawking labor, but the pressure of unemployment would apparently maintain the custom to some extent as long as it proved profitable, and it would be rendered unprofitable only by monopolization of the work of placement, and by some assured means of support during unemployment, such as insurance. It may be concluded, then, that any efficient employment agency will reduce the hawking of labor, that employment agencies which can secure a monopoly of placement will eliminate most wandering for employment, except when there is pressure of extreme unemployment, and that wandering in search of employment can be completely eliminated only by a supplementation of the public agencies by some other parts of the program for dealing with unemployment, such as insurance against unemployment. The success of the agencies in preventing this hawking of labor depends, therefore, largely on the ability of the agencies to secure, either by greater efficiency or by law, such a unified control of placements as to grant them a virtual monopoly. The possibility of securing such a monopoly depends, in turn, on the attitudes of the possible patrons of the agencies.

The purpose of increasing the mobility of labor is based on the belief that unemployment in one community does not mean unemployment in other communities, that the facilities for finding employment are at present better in the city than in the small towns and open country, and especially that the facilities for securing work in one community are much better than the facilities which exist in any community for finding work in other communities.

Devine, op. cit., pp. 7-9.

Of 176 employers in New York City 71.0 per cent reported that they could always secure all the help they desired, while of 547 employers in the rest of New York a smaller proportion, 60.8 per cent, reported that they could always secure all the help they wanted.

New York, Report of Commission on Unemployment, 1911, pp. 159-60; Devine, op. cit., p. 185.

Lodging house statistics show that during depression there is an increase



in the relative number of applications by persons who have been in the city a short time.

Devine, op. cit., p. 194.

And some factories which have been moved from the cities to the suburbs or to smaller towns have been compelled to return to the cities because of the inability to secure labor in the suburbs or small towns.

E. E. Pratt, *Industrial Causes of Congestion of Population in New York City*, Columbia Studies, Whole No. 109, 1911, pp. 74, 100-02.

Thus it appears that, on the one hand, the employers in the smaller towns have the greater difficulty of securing help and, on the other hand, the employes in the smaller towns go to the cities when unemployed. This is apparently because the facilities for finding employment in the smaller towns are fewer, because more people, in absolute number, are finding employment in the cities, and hence, there is a better gambling chance in the cities to secure work, and because the opportunities for employment in the smaller towns and open country are scattered.

In view of these facts it is proposed that the public employment agencies, by securing information in regard to a wider area, will be able to increase the mobility of the workers, and thus to reduce the unemployment. Some of the skilled workers and the unskilled workers to a much greater extent have developed habits of mobility.

New York, Report of Commission of Immigration, 1909, pp. 121-22; William Hard, *Unemployment as a Coming Issue*, *American Labor Legislation Review*, 2:96-97, '12.

One hindrance to greater mobility has been the lack of definite, accurate and trustworthy information in regard to employment in other localities, and some of the foreign public agencies, by furnishing such information, have succeeded in promoting mobility.

Rowntree and Lasker, *Bulletin de l'association pour la lutte contre le chômage*, 1:407, Oct.-Dec., '11.

Nevertheless it has been a general experience that many of the workers exhibit an extreme disinclination to employment in the smaller towns or open country, and prefer to remain unemployed in the city and take chances on securing employment later.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, pp. 87-99; National Employment Exchange, 1st Annual Report, 1910, p. 23; New York, Report of Commission on Unemployment, 1911, pp. 102-03. There is a large number of articles in regard to the migration of workers to the country in Europe. See, on this, particularly, B. K., *Les migrations ouvrières et la placement agricole*, *Bulletin de l'association pour la lutte contre le chômage*, 2:381-410, July-Sept., '12; L. Paperin, *Le placement agricole*, *ibid.*, pp. 429-32. Each of these articles contains a bibliography on the subject.

This attitude is due not only to the dislike of the open country, but also to the desire to maintain a family life, to the fear that employment in other communities will be temporary, as well as to a more fundamental disinclination to mobility and to the breaking away from personal group relationships. The extent to which mobility can be increased in view of this attitude is questionable. While the unskilled and unattached workers may submit to transference from one community to another, there is doubt both in regard to the extent to which that would relieve general unemployment and the extent to which the skilled or attached workers would be willing to develop similar mobility.

The attitude of the trade unions is another factor in the possibilities of organization of the labor market by the public employment agencies. There is, at present, no consistent trade union policy in regard to public employment agencies, but there are indications of such a policy contained in the statements which have been made and in the probable effects which public employment agencies will have on other trade union policies. It has been unnecessary for the unions to take a very vital interest in these agencies because of the fact that the applicants for employment in such agencies have not generally been in the skilled trades in



which unions are organized. The previous expressions of attitudes have been various and have been in general uncorrelated with a general trade union policy. But there are factors in the present situation and in the newer ideals of public employment agencies which make it probable that the unions will manifest hostility toward an extension of the agencies.

In the first place, the American Federation of Labor has undertaken a more vigorous campaign for the organization of the unskilled and migratory labor. They expect that one inducement which will affect these workers who are at present unorganized is the possibility of assistance in securing employment by the inauguration of union employment agencies. The preemption of this function by the state would, therefore, take away one incentive for these unskilled workers to form organizations and therefore would weaken the efforts of the American Federation of Labor to extend its organization. Consequently the American Federation of Labor would be likely to insist on the preservation of this function of placement for the workers themselves in order to retain the incentive to become organized, and to shift their attention from public agencies, in so far as it has been so directed in some localities, to "collective self-help." There are many indications of this recent attempt of the unions to solve the problem.

California, 10th Annual Convention of California State Federation of Labor, 1909, pp. 45-46; statement by Victor Olander, President of the Lake Seamen's Union, in report of Sub-Committee on Immigration to the Chicago Commission on Unemployment; John Mitchell, Shingle Weaver, Oct. 4, '13, p. 1; Gompers, Address to the Convention of the American Federation of Labor, in A. F. of L. News Letter, Nov. 15, '13, p. 9.

In the second place, it may be expected that the trade unions will oppose the public employment agencies as central agencies because, as such, they would deprive the unions of a weapon in the struggle against the employers. Placement is a function which the American unions have performed since their origin, which has assisted them in the control of the labor supply of their trades, and has been valuable in the maintenance of such conditions as the closed shop. It is largely through their employment agencies that the unions are able to secure a control of the personnel and to insist on the closed shop; and both of these policies are fundamental to trade unionism as at present organized. The agencies assist the members of the union to secure positions in union shops, and they assist the employers to secure union employees. In public agencies the union members would be on a par with non-union applicants for employment, except in so far as the employers could be induced to demand union workers from the public agencies. If the employer refused to make such demands, the state would lend its assistance to him to secure employees without reference to membership in unions. Thus the union would be deprived of this means of control. Though the union employment agencies have not been highly efficient, the unions are not apt to surrender them until compelled to do so, and are apt to manifest hostility to an attempt to deprive them of this weapon. There have been few expressions by unions in regard to this, for it has hardly been contemplated in the United States as a possibility. Conner found, however, that the trade unionists generally were indifferent or hostile to an extension of public agencies to the skilled trades,

Loc. cit., p. 90.

and some of the Chicago unions, which were favorable to public agencies as general institutions, stated in 1912 that they would oppose them in their own trades. It seems utterly impossible that the trade unions would manifest any other attitude than one of hostility toward an extension of the public agencies which were so organized as to deprive them entirely of this function and as to promote inter-occupational mobility without reference to union membership.

To this argument it would probably be replied that two of the state agencies in Wisconsin and the municipal agencies in Tacoma, Spokane and Portland are managed by boards representing the trade unions, the employers and the city or state. But these agencies exist in practice principally for the unskilled; the trade unions retain their own agencies for their trades; the unions cooperate in the management of such institutions almost entirely for the assistance of workers who are still unorganized. The question of elimination of the union employment agencies and of a policy of inter-occupational mobility in opposition to the trade union policy of trade exclusiveness has hardly been considered in these agencies, and in these localities such developments have not been significantly

dangerous to the trade unions. In Germany the trade union congress was extremely hostile to the jointly managed agencies in 1896 and warned the members against any other form of control than that of the unions.

Protokoll der Verhandlungen des zweiten Kongresses der Gewerkschaften Deutschlands, Berlin, 1896, p. 124; There had been even before this some jointly managed agencies. See R. Michels, *Das Problem der Arbeitslosigkeit und ihre Bekämpfung durch die deutschen freien Gewerkschaften*, Archiv für Sozialwissenschaft und Sozialpolitik, 31:467, 1910.

but in 1899 admitted the validity of that form of control under some circumstances,

Protokoll der Verhandlungen des dritten Kongresses der Gewerkschaften Deutschlands, 1899, p. 203; Michels, loc. cit., pp. 465-67.

and since 1903 have sometimes demanded such control in their trade agreements and have even instituted strikes to secure it.

Beveridge, *Economic Journal*, 18:15, March, '03.

In many cities of Germany the trade unions have incorporated their own agencies in the public agencies and especially in Stuttgart all the strong unions, except the printers, have surrendered their own agencies.

Beveridge, loc. cit. p. 7.

Moreover in Germany the most prevalent and successful form of public agency is that under the joint control of unions and employers. It is necessary, however, not only to know the fact of the change of attitude, in regard to which there is no doubt, but also to secure an explanation of that change. The employers' associations in Germany have been able to establish extremely successful employment agencies, which have been virtual blacklists, and to which the workers have manifested very great opposition; the unions have been unable to secure such complete control of the labor supply as to make it necessary for the employers to patronize their union agencies. Consequently it was to the advantage of the unions to compromise on a joint control of the public agency, if the employers would consent or could be compelled to do so, rather than to maintain what appeared to be a losing fight with the agencies of the employers.

Kessler, *Die Arbeitsnachweise der Arbeitgeberverbände*, 1911, passim; B. K., *La lutte pour le placement paritaire*, Bulletin de l'association pour la lutte contre le chômage, 1:239-61, Oct.-Dec., '11, reproducing parts of Sächsische Gewerkschaftskartelle, 'Protokoll über die Verhandlungen der ersten Konferenz, 1909, pp. 58-59; and Protokoll der Verhandlungen des achten Kongresses der Gewerkschaften Deutschlands, 1911, pp. 305-06.

Jastrow has objected to this explanation of the change in attitude of the trade unions and maintains that the change was due to a favorable experience with the public agencies in actual operation, rather than to the struggle with employers. *Arbeitsmarkt und Arbeitsnachweis*, p. 168.

If this explanation is correct, this cooperation of the trade union in the joint management of the public agency means that the unions have compromised because they could not compete successfully with the employers in the attempt to control the labor market through their agencies, and that they have been willing to surrender their independent and exclusive control of the agencies in consideration of the elimination of the employers' agencies.

In England, where the union agencies are much stronger than in Germany and the agencies of the employers' associations have had a slighter development, the unions, though somewhat favorable to the public agencies before they were established, have manifested general hostility since operations have begun. Statements have been made by trade unionists in their Congress that they would abolish the entire system if possible, that the agencies are the worst evil that has befallen the workers and that the agencies have been of value to the employers in securing strike-breakers but are not needed by the workers.

Beveridge, *Compte rendu de la conference internationale du chômage*, 1910, Vol. III, No. 26, p. 15; 42nd Annual Report of Trades Union Congress, 1909, pp. 15-52; 43rd report, *ibid.*, pp. 160-65; 44th Report, *ibid.*, pp. 190-95.

While this attitude of opposition is not universal and seems, in fact, to be the radical attitude, there has been a change from less to greater hostility in England.



This European experience, therefore, is not conclusive in regard to the probable attitude of American trade unionists, but at least leaves the possibility of increasing hostility and of conflict unless the employers' associations develop agencies so powerful that the unions are willing to compromise. Moreover, the general conclusion from other attempts made by unions and employers' associations to secure a common basis of agreement is that there has appeared to be no common standards on which both could agree, but that such attempts have been merely compromises to prevent continued conflict and made on the basis of the relative strength of the opponents. Consequently the conclusion is that the unions would oppose the establishment of such employment agencies as those proposed and would not at the present time be able to agree on a basis of justice that could be used in the administration of such agencies, if joint control were secured, in the trades in which unions have been formed.

The attitude of the employers' associations, also, must be taken into consideration in determining the possibilities of development of the public employment agencies. These associations in the United States have displayed no consistent attitude, as a whole, up to this time, and the instances of extreme opposition to public agencies are explicable in terms of the particular conditions rather than of the principle. Moreover, very little is known in regard to the general principles and philosophy of the employers' associations of the United States. But these associations have been growing very rapidly in the last few years, and have exhibited consistent attempts to overcome any form of union control of industry and to retain exclusive control of industry. While the employers' associations of Germany have been willing in some cases to surrender their own agencies and cooperate in the administration of general public agencies, there has been great development since 1906 in the agencies maintained and managed exclusively by employers' associations. Moreover, these German associations have shown an increasing attitude of hostility toward the jointly managed agencies and of consistent demands for their own agencies. In 1908 Dr. Flechtner, the Director, stated in a Conference of Employers' Exchanges, "The two principal reasons for the formation of exchanges are the following: they facilitate the control of the strikers and those locked-out, and they increase the powers of the employers' associations in question."

Quoted in Bulletin de l'association pour la lutte contre le chômage, 1:244, Oct.-Dec., '11.

The following paragraph in regard to employers' agencies was contained in a secret circular sent to employers' associations in 1909, "The placement of workers always has immense importance for the employers. It is only a platitude to say that the one who controls a well organized agency can control the conditions of employment. . . . The application of this principle in practice will be a means of combat of first-rate importance."

Ibid. p. 245.

On October 29, 1909, the Union of German Employers' Associations announced the following program with reference to employers' agencies, "The agencies must be in the hands of the employers, in the interest of the industrial activity of the fatherland. The system of jointly-managed and public agencies should be condemned."

Kessler, Die Arbeitsnachweise der Arbeitgeberverbände, p. 10.

and on April 19, 1910, this program was made more explicit, thus, "Agencies which are jointly managed by employers and employes should not be established in the future and efforts should be made to abolish the existing agencies of that kind."

Ibid. p. 10.

These expressions show that the employment agency is a weapon for the employers as well as for the employes, and it is one which the employers' association seems able to wield with great effect. This offers a distinct possibility for the development of employers' associations and consequently for opposition to public employment agencies in trades, in which the associations are interested or in which unions are organized.

These factors are not necessarily and inherently insuperable, but they are evidence that the public employment agencies, first, have no clear conception of the extent to which they can prevent unemployment by their plan of organizing



the labor market, even if there is no opposition; secondly, that the workers will manifest a tendency to immobility which will reduce the value of the agencies in the solution of the problem; thirdly, that both employers' associations and trade unions in the United States have advantages to gain by the maintenance of their own agencies, and both have certain general principles, more or less developed at present but, at least for the employers, probably capable of much greater development, which will make the successful operation of the public agencies along the lines indicated extremely difficult; and fourthly, that the trade unions have some policies which seem to be directly in opposition to the principles involved in the policies of the public employment agencies, as planned; the promotion of inter-occupational mobility is an example of this opposition. When suggestions of monopoly of placement are considered in connection with these attitudes of employers and unions it becomes apparent that there is no immediate prospect of a complete control of the distribution of labor; and when it is suggested that the public agencies would make wandering in search of work unnecessary, these factors are not taken into consideration. The plan to break up the distinct centers in the labor market and to substitute one central agency appear, likewise, utopian. This does not mean that the public agencies can not improve the situation, for it is evident that there is distinct possibility of improvement even within the lines laid down by the existing employment agencies. It does mean that there are difficulties in the way of the successful operation of these agencies in accordance with the assigned function, which may prevent any large solution of the problem of unemployment by this means until other factors in the situation are changed.

## CHAPTER VI.

### THE ASSUMED FUNCTION OF PUBLIC EMPLOYMENT AGENCIES IN RELATION TO GENERAL SOCIAL PROBLEMS.

From the logical standpoint, the student should contribute to the solution of any social problem, after he has come to a realization of the problem, by the selection and collection of facts on the basis of a more or less definite hypothesis or interest, reformulation of that hypothesis to take account of the facts collected, selection and collection of other facts on the basis of the reformulated hypothesis, and a continuation of this process of selection of facts and reformulation of hypotheses until all the pertinent facts are gathered up in one hypothesis and can be submitted to the group for action.

The students of unemployment have started in that way; they have realized the problem of unemployment, from the standpoint of its extent and effects; they have generally taken the public employment agency as the solution which should, hypothetically, be the beginning of this program for dealing with unemployment; and they have collected facts. But the data which they have considered have been restricted, characteristically, to the data of unemployment. The facts of unemployment have been isolated or abstracted from the rest of the social order, and it has been urged that the public agencies, substantiated on the basis of these abstracted facts of unemployment, should be established in the midst of a social order which has not been taken explicitly into consideration in the formulation of the solution.

The following types of facts are ordinarily considered: extent, causes and effects of unemployment, inadequacies of remedies of the past, outline of a plan for operation of public agencies which will reduce unemployment to the greatest possible extent. This may be illustrated by reference to the Report of the New York Commission on Unemployment, 1911, or to Beveridge, Unemployment.

The fact that public employment agencies would prevent or reduce unemployment does not in itself prove that they should be established; relief work might accomplish the same results, so far as unemployment alone is considered. An adequate solution of the problem requires not only that unemployment be reduced or eliminated, but also that this solution shall not react on the general

social order in such a way as to intensify and complicate other social problems, and produce conditions even more undesirable than unemployment. But the advocates of the public employment agency have virtually said: Assuming that the present industrial system remains as at present and assuming that public employment agencies will have no other effects than to secure work for people who are unemployed, how should they be organized so as to accomplish that result to the greatest possible extent? The possible effects of such institutions on wages, conditions of work, the trade union movement, the efforts to regularize industrial operations and, in general, on other social problems, have been generally neglected by the advocates of such agencies both in the United States and Europe. It does not follow that attention would have been paid to these possible effects on other social problems than unemployment if such effects had occurred in the operation of European agencies. This lack of explicit comment is not necessarily an indication that the public agencies, which are admittedly far short of the ideal, have not had bad effects, for the social situation is so complex that it is difficult to trace bad conditions to a particular institution and, even in Germany, the complete effects of public agencies are not yet necessarily apparent because of their relatively short period of operation.

Public agencies have, to be sure, been considered by their advocates as parts of, and in connection with, the more general program for dealing with unemployment. But this means that they have been considered as institutions necessary for the successful operation of the rest of the program. The connection of public employment agencies with the more general program is not in itself a valid test of the desirability of such agencies.

It is very true that it is impossible to determine with certainty what the effects of these institutions will be; but it may be worth while to indicate some of the broader problems that may be involved in public agencies, in so far as they succeed in securing an organization of the labor market and that have not been adequately investigated. Definite knowledge and intensive investigation of these problems may be sufficient to give the agencies additional substantiation or to necessitate considerable modification in the general policy of such agencies.

If the operations of an industry are such as to throw some of the workers out of employment, there are two general lines along which solutions might proceed: (1) those industrial operations might be modified and made more regular so that, thereby, the number of employes required by the establishment be kept more constant; and (2) the industrial fluctuations might be taken as the fixed and given, and the workers be shifted, when unemployed, to other occupations or to other localities. The students of unemployment have generally accepted the industrial fluctuations as the fixed and attempt to solve the problem by the shifting of workers to fit the fluctuating demands of industry. Their ideal is, first, to eliminate all possible unemployment by shifting the workers, and then by the more rational letting of government contracts, to eliminate some of the greater industrial fluctuations—the cyclical depressions—in regard to which employment agencies are impotent. It is possible to have the other ideal: first, to eliminate so far as possible all industrial fluctuations, not only the cyclical depression, and then, second, to shift workers as required. The policy of complete elimination of industrial fluctuations is apparently utopian, in consideration, especially of climatic conditions; moreover it would involve a considerable modification of the fashions and the habits of consumers, of the methods of production and a considerable restriction of the private management of industry for the sake of profits. How far such fluctuations could be decreased is quite unknown, but there seems to be no valid reason why the problem should not be attacked from this side as well as from the side of the workers.

Public employment agencies by increasing the facilities for the employes to secure employment would increase, also, the facilities for the employers to secure help. Is it possible that industries whose operations are now kept regular by the difficulty of securing help might be made more irregular by an increase in those facilities? Fluctuations in the number of employes required by an establishment are due in part to the modern "rush order" form of business. In 1895 the Massachusetts Board to Investigate the Subject of the Unemployed found that "in the old days a manufacturer would often employ his hands during the dull season in making up goods for which he expected to receive orders during the busy months; now the tendency is more and more to do an 'order' business.—



to wait until an order is received, then to employ all the hands who can be utilized, 'rush' the order through and then discharge the hands."

Massachusetts, Board to Investigate the Subject of the Unemployed, 1895, Part V, p. vii.

The iron and steel industry has a policy of "running a department at top speed and under the heaviest pressure while there is an active demand for its particular products and then shutting it down as soon as the market becomes weak."

United States, Report on Conditions of Employment in the Iron and Steel Industry, Vol. III, p. 21.

This is apparent, also, in many other modern industries. The purchasers by buying in large quantities and at long intervals increase the competition for their orders and thus secure lower prices.

New York, Report of Commission on Unemployment, 1911, p. 42.

Overhead charges, a sympathetic or paternalistic attitude toward the employes,

The Pullman authorities claim that during the depression of 1893 they accepted contracts at a loss in order to afford work to their employes. G. R. Taylor, *Satellite Cities*: Pullman, Survey 29:119, Nov. 2, '12.

and the effect of unemployment on the efficiency of the working force

United States, Report on Conditions of Employment in the Iron and Steel Industry, Vol. III, pp. 379-80; United States, Industrial Commission, 1901, Vol. XII, pp. 440-41.

tend to prevent such variations. To what extent the difficulty of securing employes in rush times is a preventive of these fluctuations is unknown; but in so far as it does have that effect, it is possible that public employment agencies would tend to make industrial operations more irregular and thus to cause a larger number of workers to be thrown out of employment. On the other hand it is possible that the increased facilities of securing employment would enable the best workers to select the positions of greatest permanency, and that this would tend to make it profitable for industrial establishments to maintain greater regularity of employment. There is still a further question as to whether increased irregularity of industrial operations, even if the inevitable consequence of public employment agencies, would be undesirable.

For various reasons, of which the difficulty of securing labor is one, efforts have been made and are now being made to break up some of the artificial variations in the demand for labor in particular industries or occupations. Some employers have shifted employes from one department in its slack season to other departments in which the demand is more active.

This is the practice in the firm of Hart, Schaffner and Marx in the Chicago clothing industry. See, also, G. R. Taylor, *loc. cit.*, p. 123.

In agriculture efforts are being made to adopt such cropping systems and organization of work as will require a regular labor force during the year.

W. J. Spillman, *Seasonal Distribution of Labor on the Farm*, Year-book of United States Department of Agriculture, 1911, pp. 269-84.

It seems very probable that such efforts to regularize industry and agriculture, in so far as they are the result of difficulties of securing labor, will be nullified by increased facilities of securing labor.

If any such results as the promotion of irregularity of industrial operations or the nullification of the efforts to make industry more regular should appear, they might be off-set by legislation that would regulate the hours of work, by penalties on over-time, and similar measures; it might be possible, also, to generalize the legislation of South Carolina which requires that employers must, with certain conditions, give notice to their employes two weeks before a shut-down occurs.

American Labor Legislation Review, 2:490, Oct., '12.

This would give the employes an opportunity to register at the public agencies and to secure other employment. Also it is possible that seasonal variations, if promoted by the public agencies, might be off-set by such arrangements as that in the sugar refineries, by which two refineries are maintained in



readiness to start in times of unusual demand and are shut down when that demand ceases, thus keeping the operations of the other refineries more constant.

American Sugar Refining Company, Statement, 1909, p. 1.

Emigration at the present time tends to reduce the number of the unemployed in times of depression, at least to a small extent, since it reduces the entire labor supply in the country. Emigration is undoubtedly promoted at such times by the difficulties of securing employment. It is to be expected, therefore, that any improvement in the facilities of securing employment would tend to reduce emigration. Moreover, the foreign laborers, with lower standards of living, would have an advantage in competing for positions in some occupations, thus increasing the number of citizens unemployed. It might be possible to offset any such tendency by giving a preference to citizens, but such a method would throw on to the community the burden of supporting those foreigners who do not emigrate.

According to Webb, the provision of the Unemployed Workmen Act which required twelve months' residence in a district, for eligibility to the labor exchange, worked badly. Public Organization of the Labour Market, p. 157.

One of the principles on which the public employment agency relies for efficiency in reducing unemployment is the increase of inter-occupational ability. The trade union movement, on the other hand, has been built up on the principle of the control of the labor supply, and the consequent inhibition of inter-occupational mobility by apprenticeship regulations, and by other methods of making it difficult to enter an occupation. The public employment agency and the trade union appear, therefore, to be fundamentally in conflict. The trade union attempts to reduce the number of persons who can compete for positions in its trade; the public employment agency attempts to break down the barriers between trades to permit a greater fluidity of labor, and to enable workmen to secure positions without reference to craft lines. The trade unions of Germany have, to be sure, cooperated with the public agencies, but this cooperation seems to be a compromise made in consideration of a similar surrender by the employers. What the effect will be on the trade unions is not yet apparent.

There are many questions connected with the relationship of these two institutions which are, similarly, far from clear. There has been considerable discussion of the proper policy for the public agency in times of strikes and lockouts, and it has been generally agreed by the students of unemployment that the agencies should be impartial, by which it has been meant that they should merely inform the workers of the existence of strikes and lock-outs and permit the individual worker and the individual employer to make the bargain on the basis of this information. Since this assumes individual bargaining, it does not seem "impartial" to the trade unionists, who are accustomed to insist on collective bargaining. However, the trade unionists prefer such "impartial" agencies to the agencies of the employers, in which the seeker for employment is frequently left quite ignorant of the existence of industrial difficulties.

Efforts have been made to secure the support of trade unions, but the attitude has generally been of this nature: assuming the general ideal, as outlined above, what elements in it are of such a nature that they can be presented to the trade unions in a way to win their support? There has been no fair consideration of the possibility of destroying trade unions in case a monopoly of placement is secured by the public agencies. In so far as the trade union rests on the control of the personnel and the closed shop, this monopoly of placement, either by virtue of law or of efficiency of operations, would apparently destroy the trade union movement, and might turn it into a movement less desirable than the present one. In general the problems involved in the relationship of trade unions and employment agencies have not been adequately investigated and there is no satisfactory information in regard to the effect of the policy of employment agencies, or in regard to the possibility of modifying the policies to obviate whatever bad effects result.

The second general principle on which the public employment agency relies for increased efficiency is the promotion of inter-local mobility. It is not sufficient justification of a public agency to show that it will secure work for a person in another community, which the existing agencies are unable to secure. The question must be asked, Is this increased mobility desirable? The abstraction of the

data of unemployment from the general social order and the assumption that the problem should be solved by shifting workers to meet the needs of an industrial system which is regarded as fixed and given have resulted in plans and policies which seem to consider the unemployed as parts of a machine, to be transferred from a condition of unemployment to a condition of employment. The unemployed have been dehumanized for the purpose of the solution of this problem. They have not been considered as concrete human beings. There has been practically no investigation of the effects of increased mobility on the unemployed as human beings, or of the effects on their habits and conduct of a transference from their primary personal groups to other communities in which they are unknown and in which no substitutes for these primary groups have been prepared.

Beveridge refers to this only in the following short footnote: "The labour exchange affects only one obstacle to movement of labour,—namely, ignorance of where to go. It neither removes nor ignores other obstacles: least of all does it, as some of its critics have urged, ignore the fact that 'workmen have homes.' Its aim is to give the workmen a chance, wherever possible, between starving at home and getting work away from home. At present lack of information leaves him in nine cases out of ten without this choice." Unemployment, p. 203, footnote. This does not remove the difficulty, however, for there are possibilities that the successful operation of the employment agency might produce a mobility that would be less desirable than unemployment.

The ideals of the individual are largely formed and maintained in the primary group, in which there are intimate personal relationships and face-to-face contacts.

Cooley, *Social Organization*, pp. 23 ff.

It is principally the sanction of one's personal relationships that holds him in line with the type of conduct considered desirable by his group; apart from the pressure of these primary groups formal standards of law and morality seem to have slight influence. Though the trend of modern civilization is very definitely in the direction of the break-up of the static non-communicating groups, the possibilities of a general substitution of a mobile, unattached, footloose existence for the present system of small group control and group self-protection are involved in the policy of the public employment agencies in so far as they succeed in their ideal of promoting mobility.

There is some slight evidence from Scotland that family desertion has been increased by this policy of the employment agencies to assist workers to secure employment abroad. Survey, 30:385, June 21, '13.

Leiserson has emphasized the fact that the laborers are already more casual than the jobs, and that few of the laborers wait for the end of the season to throw them out of work. "How to stop the drifting, the incessant changing of places, the moving from town to town, when there is plenty of work at home—that is the important phase of this problem which needs to be studied. The spectacle of thousands of laborers roaming idle about the country, or working at odd jobs while employers are fairly begging for men, has been witnessed by employment agents throughout the country during the last two summers. Could there be a greater menace to industrial stability and prosperity? If labor retaliates as capital has done, and moves away or refuses to invest his labor power, then what will become of our industrial structure and the civilization built upon it?...Perhaps there is no incentive to labor under present conditions." *The Laborer Who Refuses to Invest*, Survey, 31:165, Nov. 8, '13.

There are undoubtedly many narrow group standards which should be destroyed, but at the same time it is desirable that there be some substitute better than those for migratory workers at present, such as lodging-houses, labor-camps and cheap saloons. A wider experience, also, is desirable and the increased mobility may assist workers to secure this. But these general problems concerning the policy of increasing mobility are yet unsolved.

Another aspect of this increased mobility is the possibility that it may mean an increased mobility of the country workers toward the cities, a promotion of the drift to the cities. While the public employment agencies would tend to secure employment for the unemployed persons residing in the cities, they would



also tend to have the reciprocal influence of securing employment in the cities for those residing in small towns and open country.

The New York Commission on Unemployment stated that the public agencies would assist farm laborers to secure work in the neighboring towns during the winter. Report, 1911, pp. 13, 67.

In England, even with attempts to prevent it, the public agencies have had some tendency to promote the rural exodus, so far as York is concerned.

Rowntree and Lasker, *Bulletin de l'association internationale pour la lutte contre le chômage*, 2:407, Oct.-Dec., '11.

Whether, on the whole, the drift would be principally from the city to the country or from the country to the city is as yet uncertain. But there seems to be a very considerable antipathy on the part of the city workers to employment in the country and a very considerable desire on the part of country workers to get into the cities. The inference is that the drift to the cities would probably be promoted. It is still uncertain whether this influence, if it should prove to be so, would be desirable or undesirable. The German public agencies have met this problem to a certain extent by administrative methods of hampering the country workers who express a desire for city employment and particularly by submitting information in regard to the opportunities for work in the cities, the cost of living and the conditions of work.

Baab, *op. cit.*, pp. 215-17, 270.

The public employment agency by increasing the facilities for employment and promoting inter-local mobility would offer excellent opportunities to those workers, already numerous in the United States, who refuse to work in one place longer than a few days or a few weeks.

Leiserson, *Survey*, 31:165-66, Nov. 8, '13.

Public employment agencies may result in the encouragement of temporary engagements, frequent changes in the place of employment and consequently a mobilization of labor which, from the standpoint of industry, is unnecessary, and, from the standpoint of social control, is apparently undesirable. It is reported that the German public employment agencies have had the effect of increasing the short time engagements and frequent changes in engagements because of this increased facility of securing employment.

W. Beauchamp, *Insurance Against Unemployment*, Westminster Review, 175:163, '11.

One of the important effects of this increase in inter-local and inter-occupational mobility would be to increase the potential competition. There has been no adequate investigation of the effect of this increase of competition on the bargains made by employers and employees.

A. L. Bowley has made a careful analysis, on the basis of theoretical and mathematical data, of the relation of mobility to wages. *Wages and the Mobility of Labour*, *Economic Journal*, 22:46-52, March, '12. He reaches the conclusion that "increased mobility of labour always tends to produce lower prices to the consumer, or higher average wages or higher profits, and may produce all three." But there has been no investigation of the relation of public employment agencies or of increased mobility to wages and conditions of work on the basis of actual experiences with these agencies.

The general assumption has been that employment agencies will improve conditions of work merely by making them known to the workers,

Baab, *op. cit.*, p. 162.

and that more advantageous bargains will be made since both parties to the bargain would be acting on the basis of more complete information in regard to the demand and supply.

Baab, *op. cit.*, p. 257.

It appears, however, that the establishments in which the conditions of work and pay are most satisfactory to the workers would secure greater permanency of engagements, and that these establishments would make fewer demands on the agencies than the establishments in which the conditions are less satisfactory. Consequently the public agencies would be of greatest assistance to the parasitic



industries and to the industries in which the conditions were least satisfactory. Whether these industries would be able to secure workers through the public agencies is uncertain, for the workers might prefer to wait for better opportunities of employment and thus force the employers to improve these conditions. In general it is still largely a matter of speculation as to whether the public agencies would so reduce unemployment as to increase the competition between employers and thus result in the improvement in the work conditions, or whether the competition between the employees would become so keen as to impose on them conditions which are even less desirable than unemployment. There is a further constitutional question in the United States,—whether the public employment agencies could constitutionally discriminate between employers on the basis of conditions of work. The United States Bureau of Immigration maintains employment agencies which make careful inquiries in regard to the wages and the conditions of work, and on the basis of this information advises the applicants for employment to apply for the positions or not to apply.

United States, Annual Report of Commissioner of Immigration, 1909, pp. 232-34.

There is no indication that the other public agencies in the United States make such investigations, except in regard to the wages, or that they have attempted to control the conditions of employment.

This difficulty of discriminating between employers was one of the reasons for making the National Employment Exchange a philanthropic rather than a public agency. Devine, *op. cit.*, pp. 16-17.

These questions are fundamental to the conception of the function of public employment agencies. They have not been adequately investigated and possibly can not be investigated except on the basis of the actual operations of such agencies.

Summarizing, it may be said that unemployment is one of the most important social problems of modern times; the extent and effects of unemployment are of such a nature that some solution of the problem is urgently demanded. Students of unemployment have suggested a program for the solution of the problem; in this program the leading place is given to the public employment agency, the function of which is to organize the labor market. Up to this time the public and non-public employment agencies in the United States have developed a very inadequate organization of the labor market; they have resulted in the establishment and maintenance of a long series of distinct, non-cooperating and frequently competing centers in the labor market, and there has been no development of central agencies, communicating with similar agencies in the rest of the country, in which demands for and supplies of labor in all occupations and all localities are represented. The operation of such agencies, however, is rendered extremely difficult because of the opposition on the part of many workers to an increased mobility and on the part of the trade unions and the employers' associations to the loss of their own agencies, which are valuable weapons in the industrial conflict; also, there is no adequate basis for a determination of the extent to which such agencies, operating on the policy of increasing inter-occupational and inter-local mobility, would succeed in reducing unemployment.

In the presentation of this program the students of unemployment have not used a valid logic, for they have based their solutions on the facts of unemployment alone, have abstracted those facts from the general social order, and for the purpose of the solution of the problem have dehumanized the unemployed; and they have assumed the industrial fluctuations, from which unemployment results, as the fixed and given. Consequently they have not investigated thoroughly the important effects that such institutions may be expected to have on other social conditions than unemployment. The decrease in the regularity of industrial operations, the reduction of emigration in times of depression, the destruction of the present trade union principle of trade exclusiveness, the partial dissipation of small group control, the promotion of the drift to the city, the increase in the class of shiftless workers, the fostering of parasitic industries are possible effects of such agencies. There is no certainty that any or all of these effects will result, but there is no certainty that they will not result, and the question of whether such effects will result has not been adequately investigated. These agencies are expected to give more complete information in regard to the labor market, and

abstractly there can be no objection to the most complete information. But that increase in information may be expected to produce great changes in the social organization and provision may, by some forethought, be made to prevent injuries that result from sudden changes.

It is not intended to deny that employment agencies of some kind are and probably always will be a necessity, and that at the present time the state seems to be the best equipped to manage those agencies efficiently, at least for some classes of workers. But there is doubt in regard to whether those agencies should set out to reduce unemployment as far as possible by shifting workers from one locality to another or from one occupation to another, when some of the necessity for shifting might be removed by modifications in the industrial methods, in the habits of consumers and in the social organization in general. If it is true that unemployment is inherent in the modern industrial organization, the broader problem of the modification of that organization is presented, and it would appear that the problem to which the entire society gives rise can not be satisfactorily solved by manipulation of a part of the society.

This means that the public employment agency is in an experimental stage. Its complete effects have not been determined. Consequently its proper function can be determined only after the various possible and actual effects of such agencies have been thoroughly investigated, and such an investigation is possible only on the basis of agencies actually existent. It means, also, that such institutions can not be maintained in the present social organization without reacting on the social organization; therefore, in establishing public employment agencies it is necessary to do much more than to establish such agencies; it is necessary, for instance, to make provisions for the increased mobility which will be more satisfactory than the present lodging-houses. This does not mean that the public employment agency is a harmful institution, but that the desirability of this institution is dependent partly on the extent to which harmful reactions on the society can be prevented by a plan which is more inclusive than the program for dealing with unemployment, and the extent to which its function is determined by adequate investigation of these reactions.

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